

**MASTER DEVELOPMENT AGREEMENT
BETWEEN
EAGLE MOUNTAIN CITY, UTAH
AND
STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST LANDS
ADMINISTRATION**

This Master Development Agreement, the "Development Agreement", is entered into as of the 7TH day of October, 2003, by and between Eagle Mountain City, Utah, a Utah Municipal Corporation (the "City") and State of Utah, School and Institutional Trust Lands Administration (TLA) for the master planned area known as the Trust Lands Mid-Valley and Pony Express Parcels.

The Parties deem it to be mutually beneficial, equitable and in the best interests of their respective beneficiaries and citizens to make the exchange of benefits and commitments herein. TLA will advance to the benefit of Eagle Mountain land use commitments, substantial capital improvement funding for City infrastructure, will dedicate improved land for substantial parks and open space for public benefit and will reserve school sites for the benefit of the school district and the community. In consideration of investment by TLA in improvements and resources for development of the TLA land and in exchange for these benefits to the City, and subject to compliance with the requirements of this Agreement and all applicable development requirements, Eagle Mountain grants to TLA a permanent conditional vesting of zoning development density rights through a Master Development Plan, Master Development Agreement and Zoning and will grant certain Impact Fee Credits and reimbursements for lands and funds extended by TLA. TLA understands that as the Master Developer it has the obligation to invest or provide for others to invest in all municipal facilities necessary to service the land uses vested by this Agreement.

This Master Development Agreement is made with reference to the following facts and representations of the Parties:

1. Eagle Mountain is an incorporated City located in Utah County, Utah.
2. TLA owns several parcels of land in Eagle Mountain City. Of these parcels, the two that are expected to be developed first are the subject of this Agreement. These two parcels are known, respectively, as the Mid-Valley Parcel,

containing 1,188 acres, more or less, and the Pony Express Parcel, containing 151 acres, more or less (the Parcels). This Agreement only affects those two parcels depicted on Exhibit 1 (Master Development Plan and Legal Description).

3. Both Trust Lands parcels are located entirely within the central area of the corporate City limits of Eagle Mountain.

4. Both Trust Lands Parcels are substantially located on flat or gently sloping terrain, and are considered by the City to be suitable and appropriate for development.

5. Eagle Mountain is acting by and through the authority of the City Council of Eagle Mountain pursuant to the public hearings required by the City's ordinances for such action and upon the recommendation of the City Planning Commission and the Public Works Board.

6. TLA is acting by and through the authority of the Board of Trustees of the School and Institutional Trust Lands Administration.

7. Prior to this Agreement Eagle Mountain adopted a Capital Facilities Plan which specifies certain Capital Improvements deemed necessary to the future of the City. The Capital Improvements provided for in this Agreement are substantially contemplated by the existing Capital Facilities Plan; however TLA acknowledges that the Capital Facilities Plan must be amended specifically to include a "TLA sub-area" for construction and financing of facilities.

8. TLA desires to secure for its beneficiaries a permanent vesting of development density rights on its Mid-Valley and Pony Express Parcels.

9. Eagle Mountain desires to secure for itself and its citizens certain capital facility Improvements, Parks and Open Space, School Sites and development restrictions.

10. Eagle Mountain has determined that the development rights and zoning being granted to TLA herein are substantially compatible with existing and planned neighborhoods and consistent with the intent of the City's General Plan, and all other current and contemplated planning, zoning and development related ordinances and regulations.

11. TLA is entitled under the Master Development Plan and this Agreement to develop up to 4,017 residential units and additional commercial uses on the property described in Exhibit 1 subject to TLA's compliance with the terms of this Agreement and City development requirements.

12. TLA and the City have engaged in joint development planning for the area described on Exhibit 1, which is the Master Development Plan for the Trust Lands.

13. TLA will make certain investments in the construction of Phase I of Sweetwater Road, construction of water facilities, will dedicate certain lands for public parks and trails and will dedicate land for a Civic Center and a water tank site, all of which will become City infrastructure and amenities. TLA will retain certain lands for future school sites. TLA agrees that impact fees collected from

development of its lands will be used to fund additional public infrastructure relating to the development of the TLA lands as well as the City at large. All these commitments by TLA, together with certain development restrictions herein, are a part of the consideration for the City to enter into this Agreement with TLA.

14. The City of Eagle Mountain Planning Commission, meeting on April 22, 2003 and the Public Works Board, meeting on May 7, 2003, have recommended approval of and the City Council has approved, on May 20, 2003, TLA's Master Development Plan which is attached as Exhibit 1. The City and TLA wish to preserve and to define the rights and responsibilities of each party with respect to development of the TLA Parcels in this Master Development Agreement.

15. The parties desire to assure fair and equitable treatment for TLA and the City under the terms and conditions of this Agreement.

16. TLA acknowledges that the City is relying on the faithful performance of TLA of all the terms and conditions of this Agreement, including funding of the agreed improvements, dedication of the major parks and retention of school sites. The City acknowledges that TLA is relying upon the execution and continuing validity of this Development Agreement and the City's faithful performance of the City's obligations to respect the densities and uses on Exhibit 1 under this Development Agreement in exchange for TLA's existing and continued commitment and expenditure of substantial funds for the agreed improvements, the dedication of major parklands and the retention of school sites.

NOW, therefore, in consideration of the covenants and payments to be made by the parties and the mutual promises the parties agree as follows:

I. DEFINITIONS:

When capitalized in this Agreement, the following terms shall have the indicated meanings.

1. "Eagle Mountain", or, the "City"; Eagle Mountain City, Utah County, Utah as incorporated under the laws of the State of Utah.
2. "Equivalent Residential Unit" or "ERU"; The engineering standard representing the utility capacity or service capacity of a municipal service consumed or used by an average residential household in Eagle Mountain City.
3. "General Elements"; On the Master Development Plan, those elements which may be altered and/or made more specific on subsequent Plats.

4. "Master Development Plan" or "The Plan"; is the Master Development Plan for the TLA property. (Exhibit 1) A master development plan is a plan that indicates, among other things, how property will be developed, phasing, utility service, financial feasibility, vehicular and pedestrian circulation, open space, parks and recreation, trails and all other requirements of master development plans, See: Chapters 13 and 20 of the Eagle Mountain City Development Code.
5. "Mid-Valley Parcel": That Trust Lands parcel, comprising 1188 Acres, more or less, and as further described on Exhibit 2.
6. "Neighborhood Parks and Open Space"; Those small parks and open space normally required of Master Planned Developments within Eagle Mountain, the benefits therefrom generally accruing to the adjacent neighborhood or property owners. The cost of such parks and open space is borne by the developer as an ordinary development improvement.
7. "Parcel"; Either the Mid-Valley or the Pony Express Parcel.
8. "The Parties"; Trust Lands Administration and Eagle Mountain.
9. "Pony Express Parcel"; That Trust Lands Parcel, comprising 151 Acres, more or less, and as further described on Exhibit 3.
10. "Regional Parks & Trails"; As described in the Capital Facilities Plan, those Parks and Trails areas of sufficient size or importance that the benefits therefrom generally accrue to the entire City. The cost of such Parks and Trails is appropriately borne by the City as a whole.
11. "Residential Dwelling Unit" or "Dwelling Unit or Unit"; One single-family dwelling, one townhome, one condominium unit, one apartment, one side of a duplex, one side of a twinhome or any other partitioned space intended for the use of one family.
12. "Satellite Commercial Zone"; The Satellite Commercial Zone is intended to provide space for businesses that need more of a highway or major arterial orientation than the Commercial Core or the Business Park as defined in the City Development Code. The Satellite Commercial Zone provides for all of the uses included in the Commercial Core, along with automobile dealers and repair services, large supermarkets, and other retail operations servicing more than a local neighborhood. Satellite Commercial is not intended to allow the "strip mall" style development. Vegetative barriers, setbacks and related requirements will be used to prevent the appearance of wall-to-wall structures. Various building heights are allowed.

Like the Commercial Core, the design standard for satellite commercial requires parking to be located behind buildings and other visual barriers. The "strip mall" and large warehouse-type retailing establishments are prohibited. Design standards for satellite commercial areas will encourage the village or Town Center type of design with mixed use, multilevel buildings.

13. "School District"; Alpine School District or any successor public school district providing and operating the public schools within Eagle Mountain.

14. "Specific Elements"; On the Master Development Plan, those elements which may not be altered by subsequent Plats without Amendment of the Master Development Plan.

15. "Sub-Parcels"; Any tract within a Parcel which will be a legally distinct tract of land following the dedication of Parks and Right-of-Ways in this Agreement, but prior to any development platting.

16. "Sweetwater Road Bypass Route" or the "Bypass"; A collector street constructed, approximately as shown on Exhibit 1. In the case of Airport Road, the first phase will function as a collector, but future phases will widen the roadway to function as an arterial.

17. "Town Core Residential Zone"; As defined in the Development Code, the Town Core Residential Zone is for development of housing and other compatible uses at higher densities near the Town center or village cores. The performance standards of the Eagle Mountain Development Code require residential scale and character for development within this zone. Residential neighborhoods may be multi-family structures, attached housing or higher density single family homes.

The Town Core Residential Zone, as defined in the Development Code, allows limited commercial uses to be located within the zone designation on a conditional use basis. Neighborhood grocery stores (not convenience markets), and retail sales, personal services such as barber shops or beauty salons, and restaurants may be considered appropriate uses within this designation, along with other commercial uses such as professional offices, fitness centers, arts and crafts studios, galleries, and day care facilities designed to meet the needs of neighborhood residents. The mix of commercial and residential uses must maintain the scale and character of the neighboring residential uses. Commercial and other conditional uses may occupy up to 10% of each project area.

18. "The Trust Lands" or "The Parcels"; The two parcels of land known as the

Mid-Valley Parcel and the Pony Express Parcel.

19. "Trust Lands Administration" or "TLA"; The State of Utah School and Institutional Trust Lands Administration and/or its assigns.

20. "Trust Lands Water Rights"; That 500 acre-foot water right, a portion of Utah Water Right No.54-1044, as amended by approved Application for Permanent Change of Water Number a-23069, as more particularly described in the official records of the Utah Division of Water Rights.

21. "Village Core (A Mixed Commercial & Residential) Zone"; As defined in the Development Code, the Village Core is intended to provide for small commercial areas that provide services similar to those in the Commercial Core, but for a more limited area. As in the downtown core, commercial uses will be oriented toward pedestrian access. The scale of commercial uses will be somewhat smaller than in the commercial core, with structures limited to no more than three floors above ground.

An overall density of seven units per acre in the Village Core Zone shall be allowed in conventional neighborhoods that comply with this ordinance, and are connected to the City's central water and sewerage systems.

22. "Zoned Area"; The entire area in one zone within each Parcel. As shown on Exhibit 1, a Zoned Area is the entire area distinguished by one color from other areas. A Zoned Area may consist of "Sub-Parcels" where divided by Right-of-Ways or Parks.

II. AMENDMENT OF CAPITAL FACILITIES PLAN AND ECONOMIC IMPACT ANALYSIS

A. Agreement Subject to Amendment of Capital Facilities Plan and Economic Impact Analysis:

The City's Capital Facilities Plan and Economic Analysis (the Amendment) shall be amended to accommodate the anticipated development of the Trust Lands. The City will undertake such Amendment immediately upon the execution of this Agreement. TLA will reimburse the City for the reasonable cost of the Amendment required under this Agreement. As such Amendment is a legislative process subject to Public Hearings, the City cannot assure the outcome. Accordingly, this Agreement is subject to the satisfactory outcome of the Amendment to both parties. In the event of an unanticipated outcome, the Parties shall each have the absolute right to amend or terminate this Agreement. In the case of termination, all funds in the

Construction Escrow Agreement, together with interest, shall be returned to TLA.

B. Proposed Amendment:

The City will undertake to amend the Capital Facilities Plan and Economic Impact Analysis (CFP-EIA) as follows:

1. Incorporation of Trust Lands into the South Service Area. The City will incorporate the Trust Lands into the South Service Area (SSA) and impose the SSA Impact Fee schedule upon the Trust Lands, except as modified by the amendments contemplated by this Agreement.

2. Adoption of Regional Parklands Contribution to Parks and Recreation System. The City will endeavor to amend the CFP-EIA so as to accommodate the contribution of the 58-Acre Regional Park/Civic Center Parcel and the 52-Acre Pony Express Trail Corridor Park in exchange for \$1.1 Million in Parks & Recreation Impact Fee Credit to TLA. Such Amendment will further endeavor to maintain the existing \$550.00 per ERU Parks & Recreation Trails Equity Buy-In Impact Fee in the South Service Area before the granting of the Credit to TLA. The Parks & Recreation Impact Fee for the Trust Lands would therefore be \$550.00 per ERU, less \$1.1 Million divided by TLA's total ERU's.

3. Adoption of Bypass Road Impact Fee for Mid-Valley Parcel Sub-Service Area. The City will endeavor to amend the CFP-EIA so as to create a sub-service area consisting of the Trust Lands Mid-Valley Parcel (Mid-Valley SSA). The Mid-Valley SSA will be assessed with an Impact Fee for the purpose of constructing Phase I of the Bypass Road as shown on the Master Development Plan. Such fee will be based upon the City Engineer's estimate of the cost of Phase I Construction divided by the total ERU's in the Mid-Valley Parcel. A provision for reimbursement of TLA in the event TLA funds construction of the Bypass Roadway will be included in the impact fee collected by the City.

4. Reimbursement of Sweetwater Road Impact Fee. The City will endeavor to amend the CFP-EIA so as to provide for the reimbursement to TLA of Sweetwater Road Phase I Construction Funds to TLA from impact fees being collected for the purpose of Sweetwater Road construction.

5. Creation of South Service Area Roads. The City will endeavor to amend the CFP-EIA so as to provide for the Phase I construction of Community Collector and Arterial Streets serving the South Service Area. Such roads may include those roads shown on the Master Development Plan, Exhibit 1, as Mid-Valley Road, West Mid-Valley Road, the westerly extension of Ball

Street across Eagle Mountain Boulevard to West Mid-Valley Road and Airport Road.

6. Other Amendments. The City will utilize the Amendment to undertake other matter it deems necessary to implement this Master Development Agreement. The City may combine the Amendments described herein with other Amendments affecting other portions of the City.

C. Deviation from Amendment Objectives. In the event the City is unable to achieve all of the intended amendments above, or in the event such Amendments are achieved with variations or additions which, in TLA's sole discretion are deemed to be unreasonable, it shall be optional with TLA to either;

1. Prior to contracts for construction of Phase I of Sweetwater Road being approved by the City, but not later than fifteen (15) days after the final enactment of the proposed Impact Fee Ordinance, Request a refund of the construction funds escrowed pursuant to the Sweetwater Road Construction Escrow Agreement, Exhibit 9, together with all interest accrued therein, in which case this Agreement shall be terminated together with all further obligations and benefits hereunder to both parties, or;

2. Enter into negotiations with the City to amend this Agreement in such a manner as TLA believes will remedy or mitigate the effects of the deviation, variation or additions. In the event such negotiations are unsuccessful, TLA may, at any time during or after such negotiation, choose to terminate the negotiation and this Agreement, and receive a refund of construction funds as in Option #1.

III. VESTING OF DEVELOPMENT DENSITY RIGHTS:

A. Development Density:

Pursuant to the execution of this Agreement by both Parties, and then subject only to compliance with the terms of this Agreement by TLA, the Vesting Schedule and the Acreage and density adjustment for Survey Provision below, the City agrees that the allowable units of development and the development density ceiling for each use described in this section and as shown on Exhibit 1 hereto in the respective Trust Land parcels is vested for the TLA lands on Exhibit 1. Vesting is granted by way of a Master Plan Approval and Zoning, each as further described in this Agreement.

1. The Mid-Valley Parcel is permanently Vested with the rights to develop,

through the Master Development Plan and the indicated Zoning, the following allowable density and density ceiling:

a. 3564 Residential Dwelling Units Vested as:

2222 Units in 770 Acres of Town Core Residential Development Zone
1344 Units in 224 Acres of Village Core Mixed Residential &
Commercial Development Zone

b. The Commercial Development Rights Vested in:

36 Acres of Satellite Commercial Development Zone
224 Acres of Town Core Mixed Residential & Commercial Development
Zone

2. The Pony Express Parcel is permanently vested with the rights to develop, through the Master Development Plan and the indicated Zoning, the following densities:

a. 453 Residential Dwelling Units Vested as:

78 Units in 13 Acres of Village Core Mixed Residential &
Commercial Development Zone
375 Units in 113 Acres of Town Core Residential Development
Zone

b. The Commercial Development Rights Vested in:

13 Acres of Village Core Mixed Residential & Commercial
Development Zone

B. Vesting Schedule

Subject to the completion of all required improvements for each stage of development, development density will vest in stages of investment contribution by TLA in accordance with the following schedule;

1. Upon contribution by TLA of the 58-Acre Regional Park, the 52-Acre Pony Express Trail Parkway and the 5-Acre buried water tank site, the Trust Lands will be vested with the residential densities established by this

Agreement, the Master Development Plan and Zoning, at 30% of the allowable units and density ceiling in each zone in each Parcel.

2. Upon contribution by TLA of the Parks and the buried water tank site (as in the preceding paragraph) and the Construction Funds for Phase I of Sweetwater Road, all as further described herein, the Trust Lands will be vested with the base residential densities established by this Agreement, the Master Development Plan and Zoning at 50% of the density ceiling in each zone in each parcel.
3. Upon contribution of the Parks, the buried water tank site, the Sweetwater Road Construction Funds (as described in the previous paragraphs) and advancement of water system improvements, all as further described herein, all residential densities and commercial development rights herein will be fully vested.

C. Acreage & Density Adjustment after Survey

Within 90 Days of this Agreement TLA will submit at its expense, a certified boundary survey for each parcel certified by a surveyor licensed in the State of Utah. In the event of a difference in acreage from that used in this Agreement and on the attached Master Development Plan, density and zones will be adjusted as follows.

1. Overall density for each Parcel will remain 3 Residential Units per acre. Overall number of units will be adjusted upward or downward for and within each Parcel and zone to reflect the actual acreage at the density rate of 3/acre, if any.
2. Acreage and density adjustments will be reflected proportionately across all parcels.
3. No changes in total acreage will be made to the Parklands or School Sites.

D. Development Rights Run with Land:

The rights to develop at the vested zoning only as restricted and defined in this Agreement, will run with the land, and will inure to the benefit of the respective Parcel.

E. Nature of Development Rights and Zoning:

1. Master Development Plan Approved. The Master Development Plan,

Exhibit 1, attached hereto and by this reference incorporated, is herewith approved, adopted and accepted as the Master Development Plan for the Trust Lands.

2. Rights Granted by Approval of the Master Development Plan and Agreement. The City and TLA agree that the execution of this Agreement and the approval of the Master Development Plan grants and vests in the TLA all rights to develop the Trust Lands in fulfillment of the MDP. The rights granted to TLA under this Agreement and the MDP are both contractual and as provided under the common law concept of "Vested Rights". The City has determined that the development and density rights established by this Agreement and the MDP are consistent with the intent of the City's General Plan. The City finds that the Master Development Plan qualifies as a Planned Residential Development under the provisions of Chapters XV and XVIII of the City Development Code.

3. Zoning Approved. In addition to the rights established by the Master Development Plan described in the foregoing section, the development rights created by this Agreement are further established in the form of zoning of areas as Town Core Zone, Village Core Zone or Satellite Commercial Zone, as shown by differentially colored Zoned Areas on Exhibit 1, the Master Development Plan. The zoning approved by the City and vested by this Agreement, the MDP and by the other appropriate concurrent actions of the City, is a permanent vesting of development rights in the Parcels, subject to TLA remaining in compliance with the financial requirements of this Agreement. Each Parcel is vested with certain total acreages of each approved Zoned Area, the final configuration of which will be established with Preliminary and Final Plats.

4. Duration of Development Rights. Because of the significant projected amount of investment by Trust Lands based on the zoning vested herein, the development rights may not be removed or diminished by future changes or amendments to the General Plan, Zoning Map, Construction Performance Standards, Planning and Zoning Ordinances or other administrative or legislative action of the City, unless it becomes necessary to modify a development standard to protect the public health or safety. In the event the Development approved by this Agreement comes to be at variance with any regulation or ordinance of the City, current or future, the land use shall be permitted as a non-conforming allowed use.

IV. MASTER DEVELOPMENT PLAN; DENSITY ALLOCATION & RESTRICTIONS

A. Development Density & Zoning Established by Master Development Plan

The Master Development Plan, Exhibit 1, establishes the development density and Zoning for each Parcel. Each parcel is comprised of Zoned Areas with the total acreage established by the Plan, subject to the acreage modification, if any, after Certified Surveys are completed as described in Section III.C. The Zone Sub-Parcels are illustrated in the exhibits as differentially colored areas for purposes of establishing the approximate location and relative size of each zone. The exhibits generally depict the final boundaries and configurations of the zones. The final zone boundary is subject to review and interpretation and modification by the City upon request of TLA. The boundaries generally depicted on the Map are zone boundaries subject to change in accordance with Utah law as a rezoning of the property. Within each Parcel, and subject to the restrictions in this Agreement, the configuration and allocation of the development densities within Zone Sub-Parcels remains flexible, but is subject to the approval of the City. Density may not be transferred between the Mid-Valley and the Pony Express parcels. In addition, the specific restrictions defined in paragraphs D.5 and D.6 of this Article must be maintained.

B. General and Specific Elements

As distinguished in this section, the Master Development Plan is specific as to some zoning and land use elements, and general as to other elements. The Specific Elements may not be altered by Preliminary and Final Plats unless densities have been changed by amendments to this Master Development Plan and the rezoning process. Site specific design and platting of the General Elements will conform to the intent of the Plan, but will vary from the depictions therein.

1. The Plan is Specific as to:

- The maximum density for each Parcel and within each Zoned Area.
- The maximum number of acres of each development Zoned Area (subject to final survey).
- The approximate alignment of major transportation elements.
- The minimum acreage of lands reserved for Parks and Schools.

2. The Plan is General as to:

The configuration, location and boundary of and between major land use elements and Zone Areas; except as required specifically in Sections D.5. and D.6 below.

The final layout of neighborhood streets.

The preliminary and final layout of residential lots and commercial parcels.

The massing and configuration of multi-family residential and commercial development within the Village Core Zone.

C. Establishment of Zone Boundaries

Zone configurations and boundaries will be fixed, as restricted in the next section herein, with submittal of Preliminary & Final Plats.

D. Allocation of Zones and Development Density:

As Preliminary & Final Plats are submitted for areas within the Parcels, the development density established for each Parcel on the Exhibits will be allocated to specific plats. The allocation of density and location of final zone boundaries is restricted herein for the purpose of ensuring compatibility with existing neighborhoods.

1. Mid-Valley Parcel Town-Core Residential Zoned Area: The density of the 770-Acre Town Core Zoned Area on the Mid-Valley Parcel will not exceed 2,222 Units. The minimum lot size for a detached single-family dwelling is 5,000 square feet and the minimum lot width is 60 feet. Further lot restrictions at boundaries are established on the table below.

2. Pony Express Parcel Town Core Residential Zoned Area: The density of the 113 Acre Town Core Zoned Area on the Pony Express Parcel will not exceed 375 Units. The minimum lot size for a detached single-family dwelling is 5,000 square feet. The minimum lot-width is 60-feet. Further lot restrictions at boundaries are on the table below.

3. Mid-Valley Parcel Village Core Zoned Area (Mixed Commercial and High Density Residential): The residential density of the 224-Acre Village Core Zoned Area will not exceed 1,344 Units. The commercial density is as described in Section V. The Zoned Area may not be located closer than 400 feet from the southern boundary of the Mid-Valley Parcel. The Zoned Area may not be located closer than 1,000 feet from the northern boundary of the Mid-Valley Parcel.

4. Pony Express Parcel Village Core Zoned Area (Mixed Commercial and High-Density Residential): The residential density of the 13-Acre Village Core Zoned Area will not exceed 78 Units. The commercial density shall be allowed under the requirements in the Development Code for parking/landscaping and related improvements. The Zone may not be relocated from the site depicted on Exhibit 1.

5. Platting at Boundaries. In cases where neighboring development locates platted lots to the boundary line, TLA may also plat lots to the perimeter of its parcel. In such case, no lot shall be less than 80% of the average size of the abutting lots. In all other cases, a minimum of ten feet shall be retained between the platted lots and the perimeter boundary.

6. Specific Lot Restrictions at Boundaries. The following table imposes specific lot restrictions in the indicated locations for the purpose of compatibility with existing neighborhoods. Exhibit 1 depicts the specific location of these restrictions.

<u>Location</u>	<u>Minimum Lot Size Restriction</u>	<u>Other Restrictions</u>
<u>Mid-Valley Parcel</u>		
1. Lots fronting & NE of Lake Mountain Road	3-Acre	Lots fronting the Road on the SW side must be not less than 300 feet deep.
2. NE of Airport Road, Lots within 400 feet of East boundary	2-Acre	
3. In quadrant NE of Airport Road and SE of Sweetwater Road North	1-Acre	
4. Along North boundary, West of North Sweetwater Road		Lots must match size of Ranches MDP Lots on other side of boundary.
5. Within 400 feet of Southern boundary.	10,000 Square Feet Lots	
<u>Pony Express Parcel</u>		

- | | | | |
|----|--|--------|--|
| 1. | First two rows of lots West of Buffer Park | ½ Acre | 110 Foot Width at Road
Either side of a North-South road. |
|----|--|--------|--|

V. COMMERCIAL DEVELOPMENT:

A. 36-Acre Mid-Valley Satellite Commercial Zoned Area:

1. Location and Configuration: The Satellite Commercial Zoned Area is located approximately as shown on Exhibit 1. However, in the event major transportation elements, such as Airport Road, are or come to be located in different locations or alignments as that shown, possibly due to factors beyond the control of TLA, this Zoned Area may be relocated and reconfigured. The 36 Acres of Satellite Commercial Zoned Area may be allocated in areas of not less than 16 acres at appropriate locations within the Mid-Valley Parcel, subject to the landscaped buffer requirements comprising the buffer recommendations in the City Staff Report, Exhibit 4.

2. Development Standards: The 36-Acre Satellite Commercial Zoned Area as entitled herein and shown on the Exhibit 1 may be developed as a regional commercial shopping center. The building volume, height, setbacks and parking requirements will be as currently established in the Satellite Commercial Zone and related portions of the Development Code, or as such standards may be amended from time to time for the Satellite Commercial Zone or its substantial equivalent. The Parties agree that such amendments will not substantially alter the intent established by this Agreement. The setbacks, height restrictions and parking guidelines for such facilities shall be substantially equivalent to that set forth in the existing City ordinances. The Zone is intended to allow regional large scale style commercial development to the maximum extent reasonable on the site. The parties anticipate and agree that such development may potentially include a large food supermarket and national "Large" retail stores. The anticipated conditional uses include, without limitation; "Large" Commercial, Supermarkets, Gasoline Stations, Dry-Cleaning, Offices (professional and corporate), Fast-Food Restaurants, Restaurants, Convenience Stores, Miscellaneous Retail and Service Establishments of all kinds.

B. Village Core Mixed Commercial and Residential Zoned Areas

1. Configuration. The Village Core Mixed Commercial and Residential Zoned Areas, which comprise 224 acres on the Mid-Valley Parcel and 13 Acres on the Pony Express Parcel, may contain a mix of residential and commercial elements in

close proximity one to another. This may include commercial facilities on the bottom floor of residential structures.

2. Development Standards. The Commercial Elements are intended to be establishments serving residents of the City within an approximate two-mile radius of the village core area. However, there is no prohibition on businesses that succeed in attracting visitors. The allowed uses include restaurants, taverns and coffee shops, convenience stores, miscellaneous retail establishments, art galleries, offices (professional and corporate), recreational facilities, commercial equestrian facilities, and gas stations. Prohibited uses include retail facilities in excess of 10,000 square feet, corporate offices in excess of 10,000 square feet in one building, sexually oriented businesses, and industrial facilities. The total square footage of commercial establishments within the zone may not exceed 50% of the total residential square footage reasonably expected to be completed within a year of the construction of the commercial space. The building volume, height, setbacks and parking requirements will be as currently established in the Satellite Commercial Zone and related portions of the Development Code, or as such standards may be amended from time to time for the Village Core Zone or its substantial equivalent. The Parties agree that such amendments will not substantially alter the intent established by this Agreement. The setbacks, height restrictions and parking guidelines for such facilities shall be substantially equivalent to that existing in the City ordinances at the time of this Agreement.

VI. ARCHITECTURAL CONTROL, COMPLIANCE WITH CHAPTER 12

A. Residential Architectural Guidelines

1. TLA agrees that Architectural controls will comply with Chapter 12 of the City Development Code or its successors, if any, unless or until TLA or its successor submits and the City approves an alternate set of Architectural Guidelines.

2. Attached (multi-family) housing will be constructed with masonry external materials. Fifty percent of the detached (single-family) housing will be constructed with a minimum of 25% external masonry materials on the fronts and sides of homes. External masonry materials include stucco, brick, stone, Hardy Plank (™) or other masonry materials which may be approved by the City. Roofing must be rated at least 30-years.

B. Commercial Architectural Guidelines

The Trust Lands Commercial Development will be subject to such

architectural guidelines as shall exist in the City at the time of development, unless or until TLA submits and the City approves an alternate set of Architectural Guidelines.

VII. ASSIGNMENT OF RIGHTS & OBLIGATIONS, TRANSFER & SUBDIVISION OF PARCELS

The development rights and the rights to receive impact fee credits created herein are vested in the Trust Lands and may be assigned with the sale of all of the parcels of the land upon notice to the City in the form of Exhibit #5. Notice of the proposed transfer must be received by the City not later than 30 days prior to the conveyance of title for the conveyance to be allowed as a legal subdivision of the parcel. The obligations created herein may only be assigned as described in this section.

A. Initial Dedications of Land & Water Rights

The initial obligations herein to dedicate parklands and bank water rights, as specified in Sections VIII and XIV, are the sole obligation of TLA and may not be assigned.

B. Construction Funding Obligations

The construction funding obligations created herein may be assigned with sale of all the Trust Lands, or upon approval by the City of an application for apportionment or assignment of the construction obligations. In any such case, the Vesting Schedule in Section III will apply, such that the assignee may only achieve complete vesting through complete performance of the obligations herein. In the event of sale of a portion of the Trust Lands, TLA will remain jointly and severally liable for any then unfunded portions of the construction obligations, unless otherwise agreed by the City.

C. Assignment of School Site Obligations

TLA may propose to the City an Agreement with the Buyer of a parcel containing a proposed School Site which designates the City as a beneficiary and which proposes a means for assuring sale for fair market value to the District. If the City approves the Agreement then TLA may be released of further obligations or liability for the siting, preservation and sale of the affected School Site.

D. Sale of Sub-Parcels

The initial dedications of Parks and Right-of-Ways provided in this Agreement will result in the Parcels being divided into Sub-Parcels. After the initial dedications described above, and upon timely filing with the City of the Notice in Exhibit #5, TLA may sell any of the remaining Sub-Parcels. In such event, the buyer of the respective Sub-Parcel would assume all benefits and responsibilities of TLA, as regards the specific parcel, under this Agreement. TLA will remain responsible for all such obligations on the unsold Sub-Parcels, and jointly and severally responsible for any then unfulfilled funding obligations and school site obligations created by this Agreement, unless specifically released by the City from such obligations.

D. Further Subdivision and Sale:

The Trust Lands may be further subdivided and sold as follows:

1. The dedication to the City of the Parks and right-of-ways described in this Agreement will require no further approvals.
2. The platting and sale of School Sites will only require review by the City as to form and provision of Utilities and Roads and other customary reviews of School Sites.
3. The land may be subdivided pursuant to Plats submitted in the following minimum acreages:

Minimum Preliminary Plat Acreages:

<u>Description</u>	<u>Minimum Acres</u>
Pony Express Town Core Zone:	20
Mid-Valley Town Core Zone:	40
Pony Express Village Core Zone:	13
Mid-Valley Village Core Zone:	20
Mid-Valley Satellite Commercial Zone:	16
Remainder Parcels in each zone:	No Minimum

4. In the alternative, subdivision and sale of substantial parcels may be approved by the City on a case by case basis upon application made to the City and the approval thereof, demonstrating the means by which the obligations and commitments made herein are preserved. The application shall be in the form attached as Exhibit 5.

VIII. DEDICATION OF PARKLANDS

A. Parkland Contributions:

Subsequent to the successful completion of the Revised Capital Facilities Plan and Economic Impact Analysis as described in Section II, TLA will dedicate to the City by patent, within 60 days, the Pony Express Trail Parks, totaling 52 Acres, and the Regional Park & Civic/Community Center, totaling 58 Acres, each as described and restricted in Exhibits 6 & 7. 12.

B. Impact Fee Credits:

In exchange for the land value of the Parkland Dedication in the amount of \$1.1 million, and subsequent to the Revised Capital Facilities Plan and Economic Impact Analysis as described in Section II, the City will grant TLA \$1.1 million in Impact Fee Credit to apply to the equity buy-in portion of future Parks and Recreation Impact Fees. The Credit shall not exceed \$442 per ERU. Unless the City raises Parks and Recreation impact fees on a City-wide basis, the City will impose the same Parks and Recreation Impact Fee currently imposed on the South Service Area, which is \$550 per ERU. The Credit will be apportioned ratably to all TLA Equivalent Residential Units (ERU's) by dividing \$1.1 million by TLA's total residential ERU's, and then apportioning the Credit across all the ERU's. In the event of an increase or reduction in total ERU's from that entitled herein, the Credit will be divided by the revised total. TLA's Commercial ERU's will not be used in the calculation, and will therefore not receive any of the Impact Fee Credit. In any case, the Credit will be fixed at a monetary total of \$1.1 million. Once the City has foregone and TLA has benefited from the use of \$1.1 million in such Credit, no further Credit will exist. 13

IX. WATER SYSTEM IMPROVEMENTS

Pursuant to this Agreement and the successful Amendment of the Capital Facilities Plan and Economic Impact Analysis as described in Section II, TLA will advance, after July 1st, 2004 but prior to June 30, 2005, \$750,000 as an advance as against future Water Impact Fees from development of TLA lands. The funds will be applied to the first \$750,000 in water impact fees which would become due as the Trust Lands are developed. 14, 15

The parties agree that these advanced funds, together with Water Impact Fees paid in the normal course of development, shall meet TLA's obligation for buy-in to the City's existing and future off-site water source development and storage facilities.

The City will use the funds in construction of the most efficient and beneficial source and storage improvements to its water system so as to deliver adequate flow and storage for development of at least the first 553 Trust Lands ERU's. The City may combine the funds with other sources of capital so as to construct more substantial facilities, so long as such combination does not delay the availability of the system for use by TLA. 16.

As a prerequisite to the payment by TLA of \$750,000.00 for water system improvements, prior to May 30, 2004, the City will provide TLA with engineering data, sufficient for review by a qualified Civil Engineer, demonstrating either that a. the City's then existing water system contains adequate source, storage and fire-flow capacity to service TLA's first 553 Units (on the Mid-Valley Parcel) or the proposed improvements, to be completed prior to June 30, 2005, will allow the City to provide the necessary water service to the TLA Mid-Valley Parcel for the first 553 Units. 17.

TLA acknowledges that it is responsible for the construction of the water distribution system to City standards within its lands. The City acknowledges that it will be responsible for delivery of the required flows to the boundary of the TLA lands. 18.

At the time TLA advances the funds, it will notify the City of its election to negotiate a reimbursement agreement, which shall not be unreasonably denied, or to receive Impact Fee Credit the payment of \$750,000.00 as provided above. 19.

In the event TLA elects reimbursement, the City shall reimburse TLA from 100% of water impact fees collected for equity buy-in for water facilities constructed using the water system funds paid by TLA and from development of the Trust Lands until TLA has been reimbursed \$750,000. The City shall provide an accounting within 180 days of each half-year ending June 30 and December 31st, together with payment of fees collected during that period within sixty (60) days of the end of the accounting period.

In the event TLA elects to take impact fee Credit earned under this section, the first \$750,000 which would normally come due from development of the Trust Lands in water impact fees will be applied by the City per ERU to the first 553 ERU's developed on the trust lands.

X. SWEETWATER ROAD CONSTRUCTION REIMBURSEMENT:

The City will reimburse TLA for the actual cost of design and construction of Sweetwater Road, Phase I, from that portion of the Streets Impact Fees being collected by the City for the construction of Sweetwater Road Phase I.

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Prior to September 1, 2003, the City will provide TLA an accounting of such fees as collected for Sweetwater Road North through December 31, 2002, and all such funds will be contributed to the Construction Escrow Account prior to commencement of construction. Thereafter, the City will provide an accounting within 180 days of the end of each ½ Fiscal Year (December 31 and June 30), and will either reimburse TLA or contribute to the Construction Escrow Account, as appropriate, so long as the Sweetwater Road impact fee is collected by the City.

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Upon Completion of the Sweetwater Road Phase I construction, the City Engineer will certify to the City and TLA the total actual cost. The City will continue to collect and repay to TLA the Sweetwater Road impact fees until the actual cost has been reimbursed. Once TLA has been reimbursed, the City will cease collection of the particular portion of the streets impact fee attributable to the phase of construction funded by TLA from all lands, including the Trust Lands.

XI. SWEETWATER ROAD CONSTRUCTION

A. Construction Agreement and Escrow Agreement. Attached are Exhibit 8, Sweetwater Road Design and Construction Management Agreement and Exhibit 9, Sweetwater Road Construction Escrow Agreement. These Agreements specify certain procedures regarding the funding, contracting and construction of Sweetwater Road, Phase I.

B. Right of Ways. The City has previously acquired a 90-foot right-of-way for Sweetwater Road through the Trust Lands. The Parties have agreed that the northerly portion of this alignment will be adjusted so as to preserve the historic Pony Express Trail. TLA and the City will cooperate in the adjustment of this right-of-way, which adjustment will involve the City granting back the existing right-of-way and TLA granting a replacement. Simultaneously, TLA will grant all necessary utility easements within the existing right-of-way. This process will require the City to advertise and hold a public hearing to assure that the vacation of the right-of-way is in the public interest.

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C. Design. The Parties have agreed to designs for Phase I and Phase II construction of Sweetwater Road as it traverses the Mid-Valley Parcel. The Horizontal Design is shown on Exhibit 10 at a scale of 1" = 80'.

D. Advancement of Funds by TLA.

1. TLA has funded, through the City, the design and pre-construction engineering of the project.
2. TLA has deposited to a Construction Escrow Account \$1 million of the major construction funds for Sweetwater Road, to be administered by the City in accordance with the terms of the Construction Escrow Agreement. Upon the successful amendment of the City's Capital Facilities Plan and Economic Impact Analysis, as described in Section II, TLA will, within 30 days of the date of this Agreement, deposit the remaining major road construction funds, in the amount of \$1,000,000.00. 23
3. As the Construction Escrow Agreement provides, Construction Contracts will not be let and construction will not commence unless or until the City has successfully amended its Capital Facilities Plan and Economic Impact Analysis, as proposed in this Agreement. In the event the City is unable to complete such Amendment prior to October 22, 2003, TLA may request a refund, together with accumulated interest, of the funds deposited by TLA. 24

E. Advancement of Funds by the City.

Upon the successful amendment of the City's Capital Facilities Plan and Economic Impact Analysis, as described in Section II, the City will, within 30 days or at the commencement of construction of Phase 1, deposit all Streets Impact Fees apportioned to Sweetwater Road for which it can reasonably account into the Construction Escrow Account. 25

XII. THE BYPASS ROUTE

A. Anticipated Future Change of Classification and Design Speed

Sweetwater Road Phase I will function as a City Collector street, connecting the existing improvements to Sweetwater Road North to the Pony Express Parkway. The posted and allowed speed of the roadway will be approximately 35 MPH. At some time in the future, the anticipated Phase II improvements to the southerly portions of Sweetwater Road will reduce the design speed to approximately 25 MPH, and the road will function more as a Neighborhood Collector than a City Collector Street. Such improvements will include stop signs at intersections as close as 400-foot intervals, bulb-out traffic calming curbs and direct driveway access onto the street from residences.

B. Events Requiring Construction of Bypass Route.

At such time as TLA proposes to either construct development with direct driveway access onto Sweetwater Road or to place stop signs at less than 1,000 foot intervals thereon, it shall be required to construct Phase I of the Bypass Route as shown on Exhibit 1. In the Alignment described on Exhibit 11, the construction of Phase I of the Bypass Road shall be completed before either of the events described above in paragraph XII A. are allowed. 26

C. Bypass Route Impact Fee.

As described in Section II, the City will create transportation sub-areas for impact fees on the Trust Lands Mid-Valley Parcel and collect an impact fee for the construction of Phase I of the Bypass Road. At the time the construction is required, the City will contribute the collected impact fees for the Phase I bypass Route Road construction. 27

D. Bypass Route Standards.

The Phase I Construction requirement for the bypass road shall be substantially that of Phase I of a City Collector. Phase I consists either of 12-feet of paved travel lane in each direction, separated by a median. At build-out, or Phase II, a City Collector consists of an 11-foot wide travel lane in each direction, with an 8-foot wide parking/emergency strip along the outside of the travel lane. This means the finished roadway has a total 19-feet of paved surface in each direction, for a total 38-feet of roadway, usually divided by a 14-foot (outside dimension), 11-foot (inside dimension) median strip. The finished roadway also has 30 inch curbs and sidewalks or urban trails along the outside and requires a ninety-foot right-of-way.

E. Airport Road Portion.

A portion of the bypass route is a portion of Airport Road, a future major arterial street. The requirements for the Bypass Route portion of Airport Road are the same as Phase I construction of a collector. Such improvements can function as the center lanes of the future arterial.

F. Dedication of Bypass Route Right-of-Way.

Within 180 days of this Agreement, and pursuant to the successful Amendment of the Capital Facilities Plan and Economic Impact Analysis, TLA will grant a 90-foot wide right-of-way for the Bypass Route to the City. 28

Where the Bypass Route runs along the boundary of the Mid-Valley Parcel, TLA will grant the City three abutting, parallel parcels. The first parcel (#1), along the 29

boundary, will be ten feet in width. The second parcel (#2) will be 35-feet in width and the third (#3), 55-feet in width, for a total width of 100 feet. In the event the neighboring landowner cooperates with TLA and the City in the construction of the Bypass Route, including dedication of half the right-of-way, or 45 feet, then the City will deed back to TLA Parcel #3, retaining Parcels #1 and #2, totaling 45 feet in width. In the event of non-cooperation by the neighbor, the City will deed back to TLA Parcel #1, the ten foot strip along the boundary, and will retain the 90-feet in Parcels #2 and #3 for construction of the Roadway.

Exhibit 12 is a summary of Road Standards and Classifications referred to in this Agreement.

XIII. WATER RIGHTS

TLA is the owner of an annual 500-acre-foot portion of Utah Water Right No.54-1044, as amended by approved Application for Permanent Change of Water Number a-23069, as more particularly described in the official records of the Utah Division of Water Rights. TLA has provided these water rights for development of its lands under the water agreement in Exhibit #14. Subsequent to the development of the Phases for which the first 500 acre-feet will provide water, TLA is required to provide additional water rights in the quantities required of all developers in the City for additional development. In the event the City amends its requirements for the provision of water rights, including acquisition by the City of water rights for the benefit of the City at large, TLA shall be treated as all other land owners within the City as regards such rights. → 30

XIV. REGIONAL PARK, CIVIC CENTER & PONY EXPRESS TRAIL PARKS

Dedication: Within 180 days of the execution of this Agreement and subsequent to the successful Amendment of the Capital Facilities Plan and Economic Impact Analysis as proposed in Section II, the Pony Express Trail Parkways (the Parkways) will be dedicated by Patent to the City. The Parkways consist of 10 Acres on the Pony Express Parcel and 42 Acres on the Mid-Valley Parcel, substantially as depicted on Exhibit 1. The land will be deed restricted as shown on Exhibit 13, to assure preservation as public parklands, assure improvements as agreed herein, and to provide for reversion to TLA in the event of abandonment or attempted sale by the City. 30

Nature of Restrictions: The Parties agree that the objective of the Pony Express Park dedication is the preservation of the existing Pony Express Trail, as

has been improved through the years as the Lehi-Fairfield Road. The existing features, including the tall brush along the sides of the trail, the fencelines, the borrow ditches and even the large aggregate surface of the roadway, are considered to have historical and scenic value. Similarly, the 200-foot wide parkway being dedicated by TLA is intended to preserve a swath of land in a native or "restored native" condition, excepting only the installation of a paved urban trail on a portion of the existing roadway. The native condition of Cedar Valley was semi-arid grassland. The Parties agree that the Parkway is not intended to become formally landscaped urban parkland, but may be reseeded with appropriate native grasses and maintained for the value of open space, view corridor and wildlife migration.

Within 180 days of the execution of this Agreement, and subsequent to the successful Amendment of the Capital Facilities Plan and Economic Impact Analysis as described in Section II a patent to the 58-acre Type I Regional Park, substantially as shown on Exhibit 1, will be dedicated to the City. The land will be deed restricted as shown on Exhibit 13, to assure preservation as public parklands, to assure improvements as agreed herein and to provide for reversion of title to TLA in the event of abandonment or attempted sale by the City to a private entity.

TLA has agreed that up to 10-acres of the Park, in the location depicted on the Master Plan, may be used for a City Civic Center, including a Town Hall, Library and recreational facilities. The site may not be used for Public Works type facilities.

TLA will grant to the City, through Exchange Patent as shown on Exhibit 13, certain Park areas subject to the conditions contained herein. These Parks are:

- | | |
|--|----------|
| 1. Mid-Valley Regional Park | 58 Acres |
| (May include 10-acre Civic Center) | |
| 2. Pony Express Trail Park, North (Mid-Valley) | 42 Acres |
| 3. Pony Express Trail Park, South (Pony Express) | 10 Acres |

A. Park Master Plans

1. Within 120 days of this Agreement, TLA will provide detailed Master Plans for the Pony Express Parks, including Trail Design, planting plans and improvement cost estimates. 32
2. Within sixty days of this Agreement TLA will provide a concept Master Plan to the City at its sole expense for the Regional Park. The City will use its best efforts, within available funds, to retain a consultant to develop a detailed Master Plan for 33
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the Regional Park by June 30, 2004. TLA will contribute \$20,000 in cash for use of the City to fund the study toward this detailed plan. The City will provide TLA with Notice of Intent to proceed with consultant selection and the opportunity to advise and consult on the scope of work, proposed and final plans for the park. 35

B. Lehi-Fairfield Road Vacation.

The parties intend that the historic route of the Pony Express and Overland Stage, which is now known as the Lehi-Fairfield Road, will be preserved and enhanced as a non-vehicular trail, to be the centerpiece of the Pony Express Trail Park. This will require the vacation of the existing public roadway. The parties agree to cooperate in the process for such vacation, and acknowledge that such process may be lengthy and uncertain and may be accomplished in sections rather than all at once. The Parties agree to proceed immediately with vacation of the portion of the Lehi-Fairfield Road crossing the Mid-Valley Parcel. The Parties agree to proceed with vacation of the portion crossing the Pony Express Parcel at such time as the roads shown on Exhibit #1 as West Pony Express and West Ball Street are constructed. Such vacation may be considerably later than vacation of the first portion. 36

The Parties intend that construction of Sweetwater Road and subsequent construction of West Pony Express and North Pony Express Streets, as shown on Exhibit #1, will effectively replace the existing vehicular access across the Lehi-Fairfield Road where it traverses the Trust Lands, except for the road intersections depicted on Exhibit 10.

TLA agrees to grant such easements as will be necessary to preserve access to existing utilities within the Lehi-Fairfield Roadway. 37

C. Park Concepts:

The Parties agree to the following conceptual guidelines for the Park areas:

1. Regional Park: The Regional Park is intended to be a traditional City Park with traditional irrigated landscaping, broad areas of lawn and large shade trees. Appropriate areas will be devoted to playing fields, playgrounds, recreational amenities, music amphitheater, parking and other recreation facilities.

2. Pony Express Trail Parks: The Pony Express Trail Parks are intended to preserve, to the extent reasonably possible, the character of the historic route of the Pony Express and Overland Stage Trails. Accordingly, the approximately 200-foot wide swath of Parkland, which may vary from 160 to 240 feet in width, will be

restored to a condition approximating the native grass community which existed in Cedar Valley historically, and which may be expected to survive without irrigation. The swath will preserve a view corridor and a wildlife migration corridor and evidence of historic use for the public and for future archeologic investigations.

The roadway itself, as the historic route of the trails, will be used as both an improved urban trail and a natural surfaced equestrian trail. To the extent reasonably possible, existing roadside features, including fenceposts, tall brush and road swales, will also be preserved.

3. Civic-Center: The Parties intend that the Civic Center be carefully integrated with, and not detract from, the Park environment. The Parties intend that the Civic Center include a Town Hall, Library, Swimming Pool and other municipal facilities.

4. Pony Express Trail Park crossing Regional Park: The Parties intend that, where the Pony Express Trail Park crosses the Regional Park, the irrigated landscape may encroach within the approximate 200-foot wide parkway, such that the two areas of the Park do not seem unduly separated by the trail. The parties do intend that the trail itself, and such existing roadside features as may be deemed valuable, be preserved and not regraded.

D. Roads Across Pony Express Trail Park, Mid-Valley Parcel:

Exhibit 1 shows several road crossings over the Pony Express Park. Right-of-Ways for these crossings will be retained by TLA from the Park dedication.

E. Improvement Commitments

1. North Pony Express Trail Parks: If the segment of the Lehi-Fairfield Road intended for public road vacation has been vacated by the City, TLA will, prior to or with the Platting of its 100th building lot or residential unit in the Mid-Valley Parcel, complete the trails and planting as shown on the Pony Express Trail Park Plan. TLA will escrow the funds required for trail improvements to assure that development may continue beyond the 100th unit limitation in this paragraph, if the trail improvements cannot be completed. The amount required to be escrowed for trail improvements shall be limited to an amount not to exceed 120% of the amount of the improvement cost estimate provided for in paragraph XIV.A.1 as adjusted for construction cost increases from the date of the cost estimate. The Trails will be an eight-foot-wide paved trail and an eight to twelve foot wide equestrian trail, both located on the existing roadbed of the Lehi-Fairfield Road. The planting will be native grasses within the parkway area which can be expected to survive without irrigation following establishment, which may require temporary irrigation.

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2. South Pony Express Park: TLA will, prior to the platting of its 50th lot or residential unit in the Pony Express Parcel, complete the trails and planting as shown on the Pony Express Trail Park Plan. The Trails will be an eight-foot-wide paved trail and an eight to twelve foot wide equestrian trail, both located on the existing roadbed of the Lehi-Fairfield Road. The planting will be native grasses within the parkway area which can be expected to survive without irrigation following establishment, which may require temporary irrigation.

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3. Regional Park: The City will make a best effort to complete phased improvements to the Regional Park in accordance with the mutually developed Park Master Plan described above. The City will not violate any of the Covenants made herein regarding improvement and use of the Regional Park or the Civic Center.

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F. Use and Improvement Covenants:

In addition to the restrictions contained in the Exchange Patent, the City covenants with TLA to permanently restrict the improvements and uses it and others make to and of the Parks as follows.

G. Regional Park:

Exhibit #1 shows the location and configuration of a Regional Park and Civic Center located on the Mid-Valley Parcel. The Park is 58 acres, 10-acres of which may be used for a Civic Center.

The following table establishes the allowed and prohibited uses under this Covenant:

Allowed Improvements and Uses:

1. Traditional Park and drought resistant Landscaping with Lawn, Trees, Shrubs & Flowers;

2. Sports active recreation facilities such as tennis courts, skateboard park, basketball courts, etc. and related improvements;

3. Parking, not to exceed 200,000 square feet, including parking access roadways, and not to encroach more than 100 feet into the Park from any exterior side;

4. Other park related activities including, but not limited to, Amphitheater or other Music/Performance facility;

5. Municipally owned Underground Utilities, collection lines, lift stations, etc., that do not create hazards, noise or odor problems;

6. Swimming Pool and Related Facilities;
7. Maintenance and storage facilities directly related to Park facilities and landscaping;
8. Greenhouses used for Park Plantings, not to exceed 10,000 square feet in area;
9. Snack bars, restaurants or other minor concessions directly related to Park use, not oriented toward any exterior street, not to exceed 20,000 total square feet in building area, ponds for stormwater control uses, and all other recreational uses consistent with the allowed use, which is not expressly prohibited below.

Prohibited Improvements and Uses:

1. Any combination of improvements which, taken as a whole, result in less than 70% of the Park, less the Civic Center area, remaining in lawn and trees. Playing fields may be included as lawn for this purpose.
2. Any combination of improvements which, taken as a whole, result in more than 20% of the Park, less the Civic Center area, being hard surfaced. Hard surfaces shall include all parking area, access roads, sidewalks, paved trails, all pavement and concrete for any purpose, all rooftops, and any other impervious surface. Hard surface may therefore not exceed 9.6 acres or 418,000 square feet outside the Civic Center area (48 acres).
3. Overhead utilities of any kind.
4. Public works facilities, including maintenance sheds, vehicle storage, equipment storage, sewer treatment, repair shops and any other related use.
5. Commercial Uses other than the minor concessions described under allowed uses.
6. Advertising not directly related or accessory to the use of the Park.

H. Civic Center Area:

As to the ten-acre area shown on Exhibit 1 which may be used by the City as a Civic Center:

Allowed Improvements and Uses:

1. Library and City Offices.

2. Recreation Amenities, including Swimming Pool, Tennis Court, Fitness Center and related parking.

3. Public Safety (Fire and Police) uses.

Prohibited Improvements and Uses:

1. Overhead utilities of any kind.

2. Public works facilities, including maintenance sheds, vehicle storage, equipment storage, sewer treatment (except water recycling facilities), repair shops and any other related use.

3. Commercial Uses other than minor concessions.

I. Pony Express Trail Park:

Allowed Improvements and Uses:

1. Drought Resistant Landscaping with Native and Adapted Plant Material

2. Where the Trail Park traverses the Regional Park, traditional irrigated Park landscaping.

3. Interpretive Displays related to the History of the Trail.

4. Picnic pavilions and shade structures.

5. Trail amenities including water fountains, water troughs.

6. Trailhead Vehicle and Horse-Trailer Parking, not to exceed 100,000 square feet.

7. Amphitheater or other Music/Performance facility.

8. Municipally owned Underground Utilities that do not create hazards, noise or odor problems.

9. Existing utilities and easements.

10. Maintenance and storage facilities directly related to Park facilities and landscaping.

11. Any other use consistent with investigations of the history of the Pony Express trail and Overland stage route.

Prohibited Improvements and Uses:

1. Improvements not shown on the Pony Express Trail Park Master Plan.
2. Any combination of improvements which, taken as a whole, result in less than 95% of the Park, remaining in natural open space.
3. Any combination of improvements which, taken as a whole, result in more than 5% of the Park, being hard surfaced. Hard surfaces shall include all parking area, access roads, sidewalks, paved trails, all pavement and concrete for any purpose, all rooftops, and any other impervious surface
4. Overhead utilities of any kind, excepting the existing UP&L power line in its existing condition. Upgrade of the power line with steel poles is not allowed.
5. Additional Private utilities or pipelines of any kind.
6. Public works facilities, including maintenance sheds, vehicle storage, equipment storage, sewer treatment, repair shops and any other related use.
7. Commercial Advertising of any kind.

XV. School Sites

1. Sites Reserved:

TLA will reserve no fewer than three school sites; two on the Mid-Valley Parcel totaling no less than 48 acres and one on the Pony Express Parcel no smaller than 12 acres. TLA, the City and the District may agree upon different locations and configurations than those depicted on Exhibit 1. The sites will be made available for purchase by the School District for fair market value. u1

2. Notification of District and Timeframe.

TLA has notified the District of these school sites. Upon execution of this Agreement, TLA will notify the District in writing of the availability of the sites. TLA will retain the sites, substantially as shown on Exhibit 1, (or such relocated and/or reconfigured sites as the City, the District and TLA may agree) for the potential purchase by the School District for the following periods. u2

a. The 36-Acre site and the 12-acre site shown on the Mid-Valley Parcel will be held for at least 48-months from the date of substantial completion of the first subdivision on the Mid-Valley Parcel.

b. The 12-Acre School Site located on the Pony Express Parcel will be held for a period of at least 48-months from the date of substantial

completion of the first subdivision on the Pony Express Parcel.

3. Failure to Purchase.

If, after the offer period has elapsed for any site, and the District chooses not to purchase a site, TLA, at its option, may either reconfigure development onto the site as allowed herein or may offer sale of the site to the City.

In the event of reconfigured development, the maximum densities created herein for the entire Parcel will apply. TLA may configure some of the allowed density onto the site, reducing development density per-acre but without change to total density.

In the event of sale to the City, TLA would deed-restrict the parcel to use for public purposes, and would not allow re-sale to private entities.

XVI. PLAT AND DEVELOPMENT REQUIREMENTS OF TLA

TLA will comply with all applicable City standards for Preliminary Plats, Final Plats and Construction Improvements. In the event such standards have been amended by the City prior to submittal of plans, and such Amendments do not materially impact the ability of TLA to develop the densities vested herein, TLA will be required to conform to the Amended requirements. In the event such requirements would materially impact the development densities herein, TLA will be required to substantially meet the requirements existing at the date of this Agreement, unless the then current standard is necessary to protect the health or safety of the public.

XVII. OTHER OBLIGATIONS OF THE CITY

In addition to obligations and commitments made elsewhere in this Agreement, the City agrees to be bound by and to the following obligations:

A. Development of Trust Lands

The City is, by this Agreement and subject to the TLA and its successors in interest complying with the financial and development requirements of the City, Vesting the right to develop the residential dwelling unit densities and commercial

development as shown on Exhibit 1 and as described elsewhere in this Agreement. The City will in good faith process all subsequent completed applications for Preliminary and Final Plats and Building Permits in accordance with the procedures established by the City, subject to the City having available utility capacity. The City will expeditiously process all such applications, and will not unreasonably withhold approval thereof.

B. Amendments and Ordinances

The City agrees that the development rights vested herein are permanent, and will survive any and all amendments of existing general plans, development codes, zoning maps and other ordinances, or adoption of future general plans, development codes, zoning maps, performance standards and all other ordinances by the City, except for generally applicable amendments to the City ordinances or new requirements expressly necessary for the protection of the safety of persons or property in the City. To the extent any such amendments or ordinances are in conflict with this Agreement, the City agrees that the development rights vested herein are unaltered and will continue, if necessary, as non-conforming Vested Development Rights to the extent allowed by Utah law.

C. Water Rights

The City agrees that it will accept dedication from TLA of the Water Rights described in the Water Banking Resolution which is Exhibit 14. The City will hold such rights for the benefit of development of the Trust Lands. The City will diligently file applications and information required by the State Engineer to properly preserve the benefit of the Water Right for the Trust Lands.

The City will accept the dedicated rights for the first phases of development of the Trust Lands in accordance with the requirements of Ordinance # 00-05, adopted by the Eagle Mountain City Council on April 18, 2000 or its successor ordinances. Subject to the other provisions of this Agreement, the City will allow TLA to commence development on the basis of the existing water rights and may not withhold development of the first Phases on the basis of water rights until the dedicated rights are fully utilized.

XVIII. GENERAL ROAD PROVISIONS

A. Right-of-Way Dedications:

Exhibit "1" shows major collector and arterial roads that benefit the entire City

as well as the Trust Lands. TLA is responsible for dedication of 90-foot wide right-of-ways for major roads. The City is responsible for acquisition of additional right-of-ways, if necessary, and its portion of the construction costs.

B. Sweetwater Road Phase II Construction.

The Parties have agreed to a design for Phase II (Exhibit 10, Page 2) Construction of Sweetwater Road, which alignment is depicted on Exhibit 1. The obligation to fund Phase II construction will run with the development of abutting lands in increments not less than that necessary to connect and complete Phase II improvements between and to successive intersections.

It is anticipated that the North Section of Sweetwater Road, from the intersection of Airport Road to the north line of the Mid-Valley Parcel will be improved, in the future, to a standard similar to the Pony Express Parkway roadway to the north of the Mid-Valley Parcel. As the abutting landowner, TLA is responsible for Phase II improvements to complete a standard City Collector at such time as TLA develops the abutting lands. Further improvements, to the level of a City Arterial or greater, are the responsibility of the City. Right-of-way wider than the existing 90 feet will also be the responsibility of the City, and will be purchased from TLA, if necessary, at the then fair market value of the land.

C. Airport Road.

Airport Road, as shown on Exhibit 1, will be a major, high-speed arterial road benefiting the entire community. Within 90 days after execution of this Agreement, TLA will dedicate a 95 foot wide right-of-way for Airport Road to the City, without compensation because the right-of-way will expressly benefit the TLA land. The remaining acreage necessary to provide a total of 206 feet of ROW will be dedicated to the City and TLA will be granted Impact Fee Credit for the value of the acreage at \$10,000.00 per acre.

D. Mid-Valley Road

Exhibit 1 shows the approximate location of a connection from Sweetwater Road through the Mid-Valley Parcel to Eagle Mountain Boulevard, labeled as Mid-Valley Road. The City agrees that this roadway will be built either as an arterial or as a collector, to show this road on its Streets Plan, or equivalent, and to require any proposed development in the area to provide for the roadway. The roadway will be improved to at least the standards of a City Collector.

The City agrees to include this roadway in the proposed Amendment to the Capital Facilities Plan and Economic Impact Analysis described in Section II, so as to have at least one phase of construction the responsibility of a South Service Area Road District (or sub-district), as the City may determine.

E. West Pony Express Road

Exhibit 1 shows West Pony Express Road on the west side of Pony Express Parcel, connecting the Pony Express Parcel and West Ball Street. This road is labeled, for purposes of this Agreement, West Pony Express Road. The City agrees that this roadway will be built either as an arterial or as a collector. The City agrees to show this road on its Streets Plan, or equivalent, and to require any proposed development in the area to provide for the roadway. The Roadway will be built at least to the standards of a City Collector.

F. North Pony Express Road

Exhibit 1 shows a Roadway labeled North Pony Express Road connecting to Major Street immediately south of its intersection with Eagle Mountain Boulevard and running westward along the northerly boundary of the Pony Express Parcel. This roadway will improve access to cross Pony Express Park and a small area of existing City Property in the vicinity of the Pony Express Regional Park. The City agrees that this roadway will be constructed as a City Collector if legal access can be obtained without condemnation. TLA agrees that the cost of construction and connection to existing City Streets will be an obligation of the Developer running with the development of the Pony Express Parcel. The City will use the road as access to the Pony Express Regional Park and to the Pony Express Parcel.

The City acknowledges that this access is material to TLA's conditional agreement to forego existing legal vehicular access to City Streets across Russell Street in the Overland Trails subdivision. TLA has agreed to forego that access if access can be granted at Major Street, so as to reduce the traffic impact of development of the Pony Express Parcel to the Overland Trails neighborhood.

G. West Ball Street

Exhibit 1 shows a Roadway which is a westerly extension of Ball Street to a crossing of Eagle Mountain Boulevard, then Westward to the road labeled West Pony Express Road.

The City agrees to include this roadway in the proposed Amendment to the

Capital Facilities Plan and Economic Impact Analysis described in Section II, so as to have at least one phase of construction the responsibility of the South Service Area, as the City may determine.

H. Russell Street, Emergency and Trail Access

As described in section F above, TLA has agreed to forego existing legal vehicular access to Eagle Mountain City streets for the Pony Express Parcel across Russell Street in the Overland Trails subdivision if legal access can be achieved through Overland Trails Subdivision at Major Street in the vicinity of the Pony Express Regional Park.

If the City cannot grant the necessary replacement access as shown on Exhibit 1 to Major Street, Russell Street will be maintained as a public right-of-way. If Major Street access can be granted, then Russell Street will be only used for emergency vehicular access and for pedestrian and equestrian access between the Overland Trails neighborhood, Pony Express Parcel and the school site located thereon. Emergency access will be a crash-gate or bollard design subject to the approval of the Fire Marshall.

I. Roadways along Boundaries

Where the Roadways offered for Dedication run along boundaries for substantial distances, as in a portion of the Bypass Route and West Pony Express Road, the City will endeavor to obtain a dedication of half the Right of Way, or 45 feet, or the entire right-of-way as the case may be from the abutting landowner. In the event the City is unable to obtain the cooperation of the abutting landowner for dedication of the other half of the Roadway, TLA agrees to dedicate a full 90-foot right-of-way for the Road, but will not, in such case, be required to dedicate and construct the roadway so as to provide access to the abutting owner.

J. Vacation of Pony Express Road

Pursuant to provisions in this Agreement to substantially replace the existing vehicular right-of-way which might exist across the historic Pony Express Roadway with improved public roads, to provide for the perpetuation of non-motorized access across the historic trail, and to create a regional park with the historic trail as a centerpiece, the City and TLA will cooperate in the vacation of any vehicular public right-of-way which may exist across the historic Pony Express Road.

In the event the parties are unsuccessful in such vacation, the parties agree

to cooperate fully in fulfilling the intent of this Agreement through alternate plans for the configuration of the Park, the roads and trails.

XIX. SWEETWATER ROAD CONSTRUCTION AGREEMENT

The Parties agree to execute and be bound by the terms of the Sweetwater Road Construction Agreement, Exhibit 8. 43

XX. INFRASTRUCTURE

TLA acknowledges that additional infrastructure is required prior to development of the Trust Lands. In addition to the contributions made by this Agreement to the improvement of Roads and Water Systems, TLA further agrees to be subject to the existing Impact Fee structure imposed upon the South Service Area. TLA is responsible, as all developers, for the extension of facilities within its boundaries and required off-site improvements.

In the event that TLA, with City approval, sizes infrastructure so that it may serve additional landowners, the City will cooperate in obtaining reimbursement to TLA as other development connects to the TLA funded infrastructure.

In vesting the densities herein, the City does not represent that the community infrastructure for such density is currently adequate. The City does agree that TLA will be treated in a substantially equitable way relative to other landowners and developers regarding the construction of additional infrastructure.

TLA is proscribed from subjecting its lands to indebtedness. TLA's land shall not be subject to public debt instruments while owned by TLA.

XXI. GENERAL PROVISIONS

1. This Agreement shall be binding upon and inure to the benefit of the successors, heirs and assigns of the parties hereto, and to any entities resulting from the reorganization, consolidation, or merger of any party hereto. TLA shall assign density development entitlements and impact fee credits to successor owners of the land owned by TLA depicted on Exhibit 1, in writing and notify the City of such assignments in the Notice which is Exhibit 5.

2. This Agreement constitutes the entire understanding and agreement between the parties, and supersede any previous agreement, representation, or understanding between the parties relating to the subject matter hereof.

3. The provisions of this Agreement are not severable, and should any provision hereof be deemed void, unenforceable or invalid, such provision shall affect the remainder of this Agreement, and shall provide grounds for dissolution of the Agreement at the option of the parties in the exclusive discretion of each of them.

4. Any waiver by any party hereto of any breach of any kind or character what so ever by the other party, whether such waiver be direct or implied, shall not be construed as a continuing waiver of or consent to any subsequent breach of this Agreement on the part of the other party.

5. This Agreement may not be modified except by an instrument in writing signed by the parties hereto.

6. This Agreement shall be interpreted, construed and enforced according to the laws of the State of Utah.

7. In the event of default on the part of any party to this Agreement, that party shall be liable for all costs and expenses incurred by the other parties in enforcing the provisions of this Agreement, whether or not legal action is instituted.

8. Notices. All notices pertaining to this Agreement shall be in writing delivered to the parties personally, by facsimile transmission, by commercial express courier service or by first class United States mail, postage prepaid, addressed to the parties at the addresses set forth in below. All notices given personally, or by commercial express courier service shall be deemed given when delivered. All notices given by mail shall be deemed given when deposited in the mail, first class postage prepaid, addressed to the party to be notified. All notices transmitted by facsimile shall be deemed given when transmitted. The parties may, by notice as provided above, designate a different address to which notice shall be given.

9. Cooperation and Additional Documents. The parties agree to reasonably cooperate with each other to accomplish the development of the property in a manner consistent with the public interest and the interests of the landowner and to a execute and/or provide such additional documents as may be reasonable and necessary to carry out the provisions of this Agreement.


10. Entire Agreement; Modification; Waiver. Except for the Agreement between the Parties dated August 16, 1999 (Prior Agreement) and the Construction

Escrow Agreement executed concurrently with this Agreement constitutes the entire Agreement between the Parties pertaining to the subject matter contained in it and to the extent that this Agreement conflicts with the Prior Agreement this Agreement supersedes all prior agreements, representations, and understandings. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted. No supplement, modification, waiver or amendment of this Agreement shall be binding unless specific and in writing executed by the party against whom such supplement, modification, waiver or amendment is sought to be enforced. No delay, forbearance or neglect in the enforcement of any of the conditions of this Agreement or any rights or remedies hereunder shall constitute or be construed as a waiver thereof.

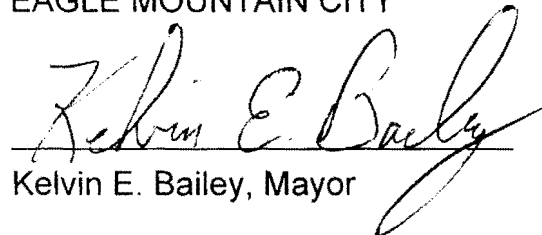
13 Headings. The headings used in this Agreement are for convenience of reference only and shall not operate or be construed to alter or affect the meaning of any of the provisions hereof.

14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and which together shall constitute one and the same agreement.

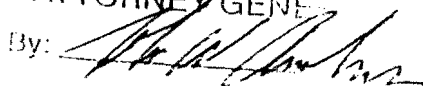
Attest:


Janet B. Valentine, CMC
City Recorder.

EAGLE MOUNTAIN CITY


Kelvin E. Bailey, Mayor

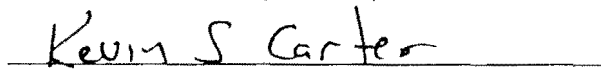


Approved as to be
Mark L. Shurtler
ATTORNEY GENERAL
By: 

STATE OF UTAH, SCHOOL AND STATE
INSTITUTIONAL TRUST LANDS
ADMINISTRATION

By: 

(Signature)



(Printed Name)

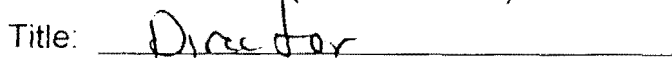
Title: 

EXHIBIT LIST

1. Master Development Plan and Zoning Map for TLA Land.
2. Mid-Valley Parcel Legal.
3. Pony Express Parcel Legal.
4. Staff Report with Approved Recommendations.
5. Parcel Sale Notice Forms.
6. Pony Express Trail Park.
7. Regional Park and Civic Community Center.
8. Road Construction Agreement.
9. Sweetwater Road Construction Escrow Agreement.
10. Horizontal Design of Sweetwater Road. (2 pages)
11. Legal of By-Pass Route.
12. Road Standard and Classifications Summary
13. Deed Restriction on Land Dedication.
14. Water Rights Agreement.

MASTER DEVELOPMENT PLAN

STATE OF UTAH SCHOOL AND
INSTITUTIONAL TRUST LANDS;
MID-VALLEY AND PONY EXPRESS
PARCELS.

EAGLE MOUNTAIN CITY, UTAH

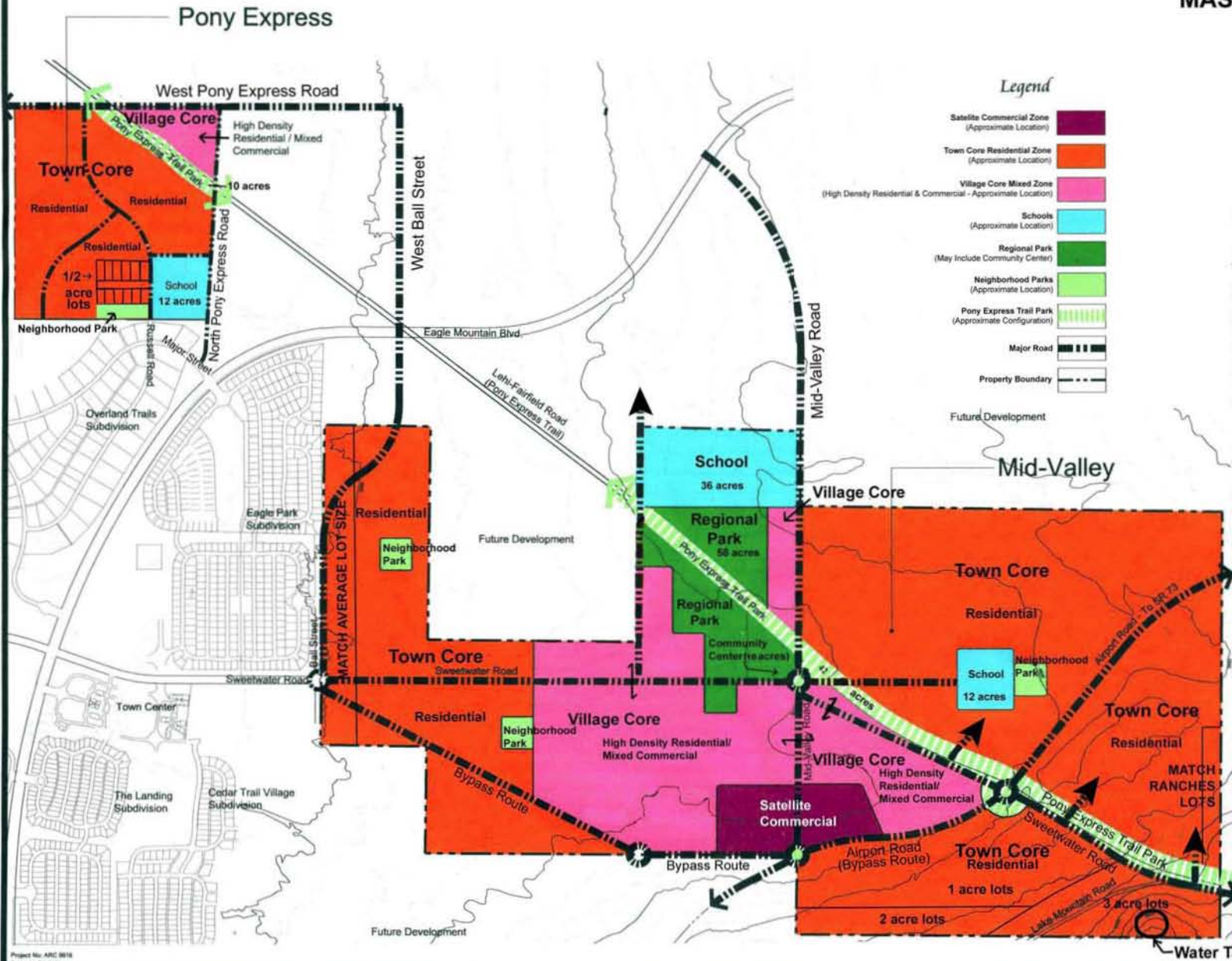
Development Density and Zones:

Mid-Valley Parcel

Zone or Land Use	Acres	Residential Units	DU's/ Acre
Town Core Residential Zone (Will include Neighborhood Parks & Open Space)	780	2220	2.88
Village Core Mixed Zone (High Density Residential & Commercial)	224	1344	6
Satellite Commercial	36	NA	NA
Regional Park (May include 10-Acre Community Center)	58	NA	NA
Pony Express Trail Park	42	NA	NA
School Sites	48	NA	NA
Total Mid-Valley	1188	3564	3.0

Pony Express Parcel

Zone or Land Use	Acres	Residential Units	DU's/ Acre
Town Core Residential	113	375	3.31
Village Core Residential	13	78	6
Neighborhood Buffer Park	3	NA	NA
School Site	12	NA	NA
Pony Express Trail Park	10	NA	NA
Total Mid-Valley	151	453	3.0
Total Trust Lands	1339	4017	3.0



EXHIBIT

2

(Mid-Valley Parcel Legal Description)

EXHIBIT 2

Mid-Valley Parcel: Legal Description:

Note: The following description and acreage are derived from the office of the County Recorder, Utah County. A Certified Boundary Survey will be provided within 90 days of the date of this agreement. The Density of the Master Development Agreement and Plan will be adjusted at that time according to the formula in Section III.

Township 5 South Range 2 West,

Section 36

Total 654 Acres (More or Less)

Township 6 South, Range 2 West,

Section 1

The North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$

Total 411 Acres (More or Less)

Section 12

North $\frac{1}{2}$ of the Northwest $\frac{1}{4}$

Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$

1. Total 133.7 Acres (More or Less)

Total Mid-Valley Parcel: 1198.7 Acres (More or Less)

EXHIBIT

3

(Pony Express Parcel Legal Description)

EXHIBIT 3

Pony Express Parcel; Legal Description

Note: The following description and acreage are derived from the office of the County Recorder, Utah County. A certified Boundary Survey will be provided within 90 days of the date of this agreement. The Density of the Master Development Agreement and Plan will be adjusted at that time according to the formula in Section III.

Township 6 South, Range 2 West, Section 11

E2SW4	75.5 acres
W2SE4	75.5 acres
Total	151 Acres, More or Less

EXHIBIT

4

(Staff Report with Approved Recommendations)

STAFF REPORT EAGLE MOUNTAIN CITY

TO: Honorable Mayor and City Council

FROM: Shawn Warnke, Planning Director

DATE: May 20, 2003

CC: McKay Edwards, Planner & Ric McBrier, SITLA

SUBJECT: Mid-Valley and Pony Express Master Development Plan, Action Item- Public Hearing

RECOMMENDATION SECTION

Preface

The recommended motion is provided for the benefit of the City Council may be read or referenced when making a motion incorporating the text of this report including the proposed findings. The recommended motion contains two elements: *Conditions of Approval* and *Findings of Fact*. It is important to be explicit with this rezone application (Master Development Plan Amendment) as to the grounds of approval. Findings of Fact identify the legal nexus (connection) between the density granted to a project and the proposed amenities (which are meant to mitigate the impacts of density) and should be identified. Findings of Fact help demonstrate that the City Council did not act in an arbitrary manner when approving the rezoning of the subject property. Council members may also refer to the *Action* section of this report for additional options regarding this application.

Recommended Motion

I move that the City Council approves Mid-Valley and Pony Express Master Development Plan subject to the following conditions of approval and findings of facts:

Conditions of Approval:

1. That Master Development Plans comply with the architectural requirements in the City Development Code or proposes and has approved alternative design guidelines.
2. That the Master Development Plan meets the neighborhood park requirements at the time of development.
3. That future property owners in the Pony Express Parcel not be granted animal rights with their rights.
4. That the property directly north of Eagle Park and Autumn Ridge Subdivisions be the same lot size as the average lots sizes in these subdivisions for 400 feet of the perimeter of the aforementioned subdivisions.
5. That the City has the ability to use up to 10 acres of the parcel labeled as the Regional Park for a civic center where civic building including but not limited to city offices, fire station, police station, community center, and library may be constructed.
6. That attached housing be constructed of 100 percent masonry materials (including but not limited to stucco, hardy plank, brick, rock, or stone) or other materials that are acceptable to the City and that 50 percent of the single family detached housing have a minimum of 25 percent masonry materials on the fronts and sides of homes. Additionally, that roofing shingles be rated no less than 30 years. The use of these materials will assist in minimizing the wind damage thus reducing blight to residential structures.

Findings of Fact:

The following findings of fact established cause for the City Council's approval of the rezone application. These findings of fact are not an exhaustive list of the basis for approval but identify some of the most compelling facts in support of the rezoning action.

1. Pony Express Trail. SITLA is proposing the dedication of the historic Pony Express Trail which totals 62 acres within 180 days of executing the agreement. This dedication and preservation of this trail will constitute a historically significant amenity for generations to come within the development.
2. Regional Park. SITLA is proposing the dedication of a 58 Acre Park within 180 days of executing this agreement. With the improvement of this park it will provide a place for the residents to enjoy recreation opportunities.
3. Preservation of School Site. SITLA will reserve three school sites totaling 60 Acres for 48 months for acquisition from the Alpine School District. Planning and reservation of these school sites will allow choice school sites located in the ideal locations for the residents of this project.
4. Advance Funding of Infrastructure. SITLA is proposing the advance funding of infrastructure (Sweetwater Road and Watertank).

BACKGROUND SECTION

Summary of Application

The School and Institutional Trust Lands Administration (SITLA) have submitted a Master Development Plan for the Pony Express Parcel (151 acres) and the Mid-Valley Parcel (1,188 acres). Table 1 and 2 summarizes the proposed land uses for both parcels.

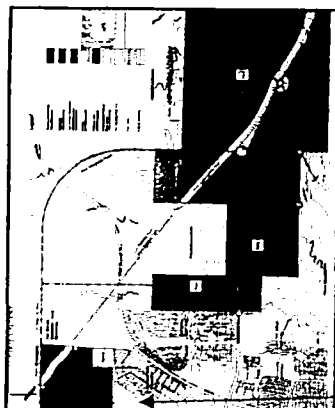
Table 1- Pony Express Site Data

<u>Land Use</u>	<u>Acres</u>	<u>Units</u>	<u>Density</u>
Residential	113	375	3.3
High Residential/Mixed Commercial	13	78	6
School	12	N/A	N/A
Landscape Buffer	3	N/A	N/A
Pony Express Trail Park	10	N/A	N/A
TOTALS	151	453	3.0

Table 2- Mid-Valley Site Data

<u>Neighborhood</u>	<u>Acres</u>	<u>Units</u>	<u>Density</u>
Regional Commercial	36	N/A	N/A
Residential	770	2200	2.8
High Density Residential/Mixed Commercial	224	1344	6
Schools	48	N/A	N/A
Regional Park	58	N/A	N/A
Pony Express Trail Park	52	N/A	N/A
TOTALS	1,188	3564	3.0

Location



The Mid-Valley parcel is located north of Eagle Park and south of the Ranches Master Plan.

Pony Express parcel is located west of Overland Trails and south of the Pony Express Park.

Master Development Plan Administration

In the past the City has adopted several (EMP and The Ranches) Master Development Plans that differ in administration. Eagle Mountain Properties has been granted a gross density over their acreage and does not have a specified density for each parcel. The Ranches' Master Development Plan also has a gross density for the entire project along with parcels specified with certain density ceiling.

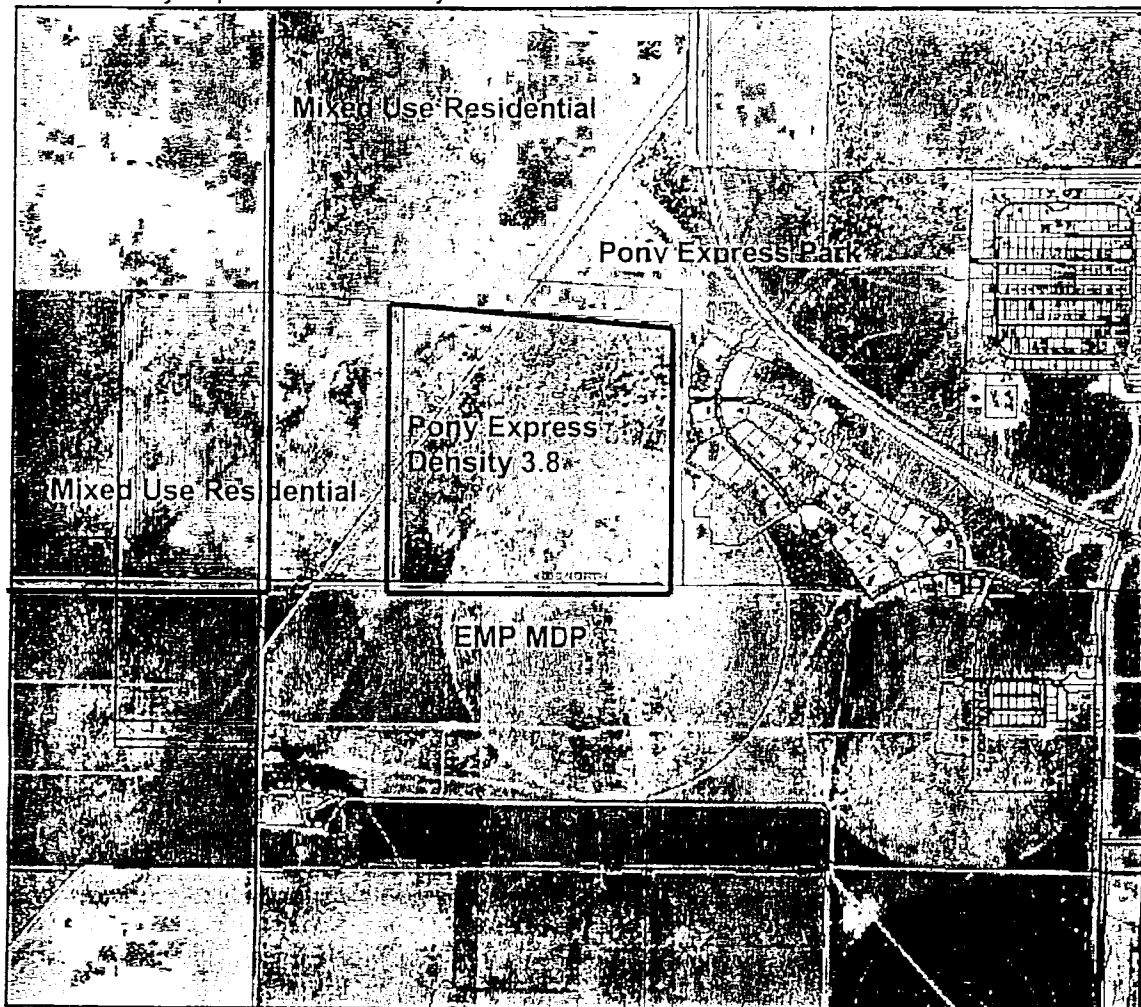
Density Evaluation

SITLA is proposing a master plan that is similar to EMP in that it has requested receiving a gross density over the Mid-Valley and Pony Express Parcel. Land use plans that do not have a specified density for each parcel are hard to evaluate at a Master Development Plan review. This is because the density of a neighborhood is not being presented at this time. Perhaps the best way to evaluate the proposed density is to evaluate the land uses in light of the current development and proposed future land use plan that dictates the adjacent property future zoning.

Pony Express

The Pony Express Parcel is located directly east of the Overland Trails Phase 1 Subdivision, which is part of Eagle Mountain Properties Master Development Plan and south of the Pony Express Regional Park. This development as you know is comprised of larger lots and has a density of approximately of 0.6 dwelling units per acre. The Master Development Plan is proposing a density of 3 dwelling units per acre with land uses that are comprised of a school site, residential, landscape buffer, high density, and commercial. These land uses are less compatible with the existing land use of lower density residential; however, the master development plan shows a land use buffer of a school, park, and half acre lots.

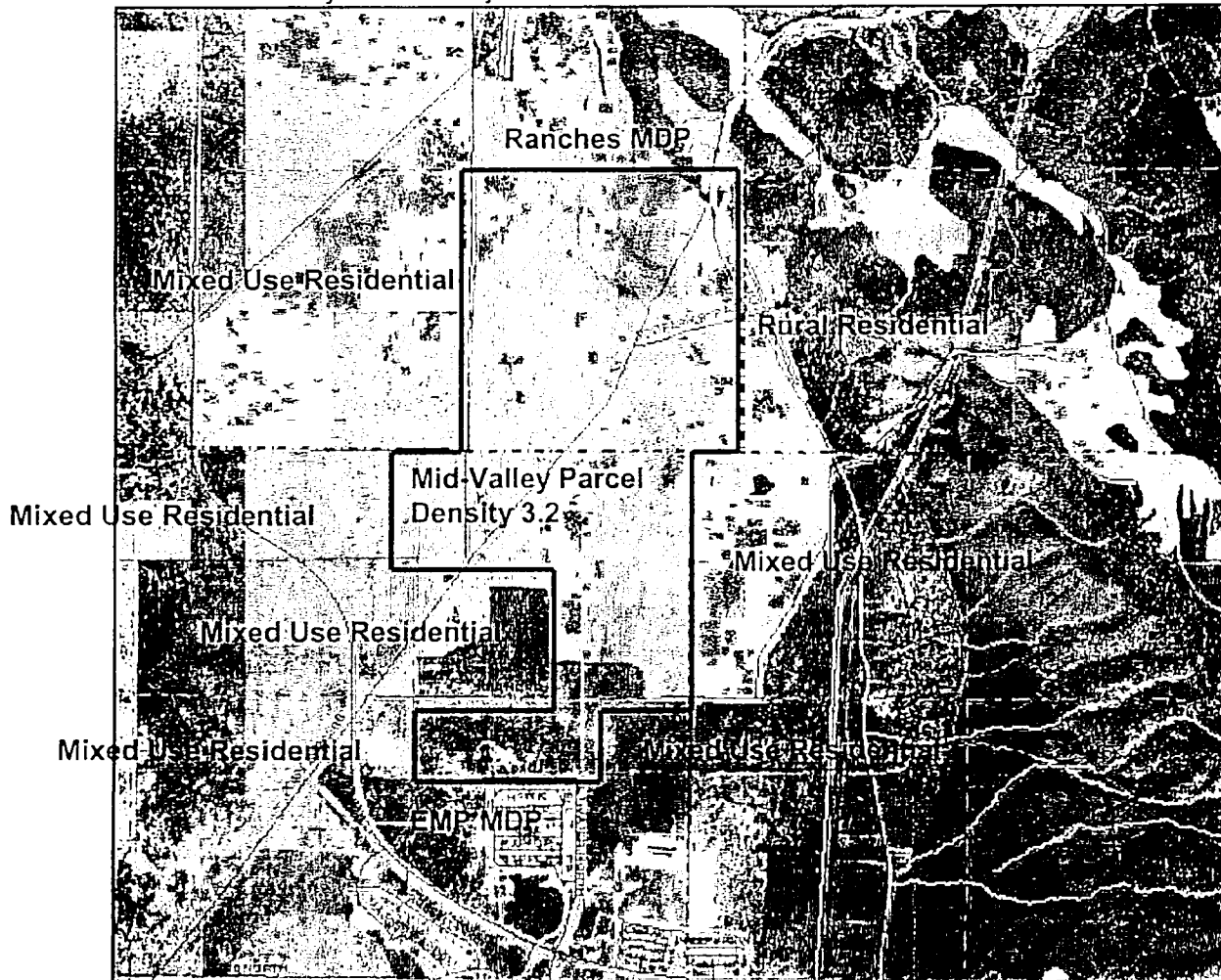
MAP 1- Pony Express Parcel's Adjacent Land Uses



Mid-Valley

The Mid-Valley parcel is approximately 1,200 acres in size and connects the two existing master developments of Eagle Mountain Properties and The Ranches. As such there are several important transportation corridors that dissect this parcel. These transportation corridors should be used to separate different land uses and density. Additionally, SITLA's proposed land uses should be compatible (essentially, the same land uses) as the anticipated land uses of the proposed General Plan.

MAP 2- Mid-Valley Parcel's Adjacent Land Uses



Lot Size Transitioning

During the Planning Commission's review process the Applicant has made several obligations relating to the transition between existing and future land uses. Additionally, the Applicant has met with the residents in Overland Trails to address their concerns relating to lot sizes. Below is some of the recommendation from the Planning Commission that is contained on the Master Development Plan.

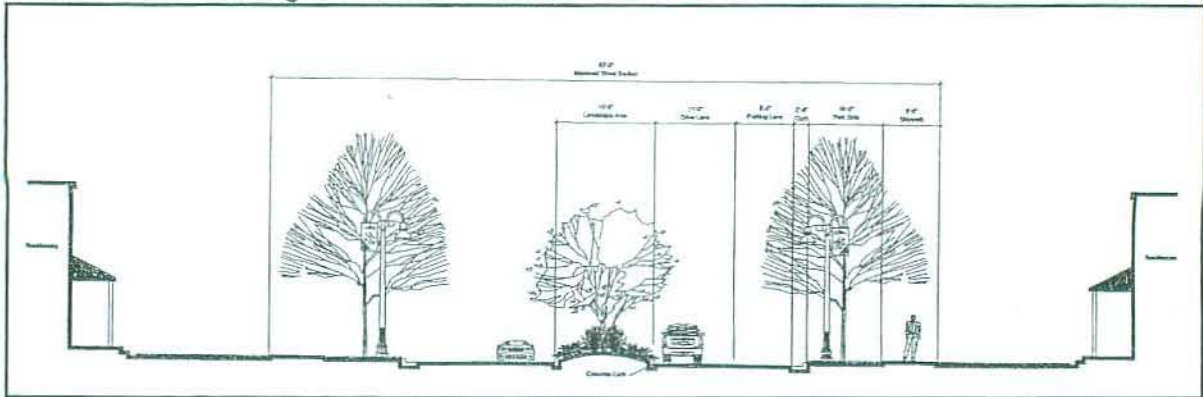
1. That all lots that have frontage along Lake Mountain Road (to the west) be no less than 3 acres with a minimum lot depth of 300 feet. That all lots east of Lake Mountain Road be 3 acres.
2. That all lots within the quadrant formed by Airport Road and Sweetwater Road and the east section line 36 have lots no less than 1 acre. That lots within 400 feet of the east section line 36 be 2 acres.
3. That SITLA's north boundary (the north section line of 36) have one row of lots that is the same lot sizes as those developed in the parcel referred to as R4 N4 of the

200 R KB
(200 feet east to west)

- Express Parcel abutting

There are several different patterns of development that the City can anticipate in the future with the development of the Pony Express and Mid-Valley Parcels. These patterns will include a few large lots ranging from .5 to 3 acre in size.

DIAGRAM 1- South Leg of Sweetwater Road



As you know the City's Development Code does not require the use of specified materials. This can be problematic for the Cedar Valley due to the wind conditions that are common and the resulting wind damage. For this reason I recommend the use of certain materials on different housing products for this Master Development Plan. Specifically, I recommend that attached housing be constructed of 100 percent masonry materials including but not limited to stucco, hardy plank, brick, rock, or stone and that 50 percent of the single family detached housing have a minimum of 25 percent masonry materials on the fronts and sides of homes. Additionally, that roofing shingles be a heavier weighted no less than 30 years shingle type. The use of the materials will assist in minimizing the wind damage and blight to residential structures.

The State of Utah School and Institutional Trust Lands Administration (SITLA) agree to:

- A. Advance funding during 2003 for the completion of Phase I Improvements to Sweetwater Road, currently estimated to be approximately \$2 Million. SITLA's commitment is for the cost of construction less that portion of the costs collected by the City through Impact Fees at the time of construction.
- B. Advance funding, prior to the end of 2005, for 50% of the cost of construction of a new water tank. The current estimated cost of this contribution is \$750,000.
- C. Dedicate 62 Acres of Parkland along the Pony Express Trail.

- D. Dedicate 58 Acres of Parkland for a Type 1 Regional Park
- E. Offer three school sites totaling 60 Acres.
- F. Dedicate Neighborhood Park as a buffer adjacent to Overland Trails.

Eagle Mountain City agrees to:

- A. Vest the Development Density Rights to the SITLA Parcels
- B. Cooperate in the construction of Sweetwater Road and the Water Tank
- C. Provide for the extension of City Streets to the Trust Lands Parcels
- D. Accept the dedication of major parks as a credit against future impact fees.
- E. Accept the funds advanced by TLA as credit against future impact fees.
- F. Reimburse certain impact fees, only as collected, to TLA.

PROCEDURAL SECTION

Previous Reviews

On April 22, 2002, the Planning Commission conducted a public hearing regarding the proposed Master Development Plan. The Planning Commission's recommendations have been incorporated into the plan or are contained in the recommended motion. The Planning Commission also recommended that the gross density be lowered from 3.8 and 3.2 du/ac for both Pony Express and Mid-Valley Parcels. The new proposed gross density is for both parcels are 3 du/ac.

Several years ago and with the previous Planning Commission and City Council, SITLA presented a concept plan for the Mid-Valley parcel. The Concept Plan has been modified since it was originally presented. On March 18, 2003, SITLA made a presentation to the City Council regarding some of the infrastructure associated with the development of the project.

Approval Process

The current Development Code processes Master Development Plans as an amendment to the zoning ordinance. This is because the adoption of a Master Development Plan amends the zoning map. The Planning Commission is required to conduct a public hearing, review the application, and make a recommendation to the City Council. The City Council is required to conduct a public hearing prior to taking action. If the City Council approves the proposed master development plan the City Attorney will be authorized to complete the Master Development Agreement and the Mayor authorized to execute the agreement.

Action

The City Council should review the proposed Master Development Plan and take action by motion. Listed below are various courses of action that the City Council may take concerning this application, which are as follows:

1. To make a motion to approve the proposed Master Development Plan with conditions.
2. To make a motion to approve the proposed Master Development Plan without conditions.
3. To make a motion to table the application and give specific directions to the applicant and staff as to items needed to take action.
4. To make a motion to deny the proposed Master Development Plan based upon findings of facts.

ATTACHMENTS: Draft agreement (not to be approved on May 20, 2003), and plan set.

EXHIBIT 5

(Parcel Sale Notice Forms)

EXHIBIT 5

UTAH STATE SCHOOL AND INSTITUTIONAL TRUST LANDS

Notice of Proposed Parcel Sale # _____

TO: Eagle Mountain City

The Utah State School and Institutional Trust Lands Administration (TLA) hereby gives notice of the proposed parcel of land described in Exhibit 5-1, located in the Master Development Planned Area designated as the (Mid-Valley Parcel) (Pony Express Parcel). The contracted purchaser information, including the name, address, contact party, and parcel zoning is attached as Exhibit 5-2. A draft version of the Log setting forth the proposed assigned and remaining acreage, approved density and density ceiling, impact fee credits (if any), is attached as Exhibit 5-3. Exhibit 5-3 is to be completed and signed upon the closing of the proposed Sale.

The sale closing is scheduled at least thirty (30) days from the date of this Notice or on _____.

Other Special Features of Proposed Sale (if any):

Dated: _____.

UTAH STATE SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

By: _____

Its: _____

Certificate of Mailing

I certify that on this _____ day of _____, 2_____, I mailed a copy of the foregoing Notice to Eagle Mountain City, Attn.: Janet B. Valentine, CMC, City Recorder. 1680 E. Heritage Drive, Eagle Mountain, Utah 84043.

Date: _____

Exhibit 5-1

(Legal Description of Parcel Sale and Map)

Exhibit 5-2

Name: _____

Address: _____

Contact Person: _____
Printed Name

Address: _____

Telephone Number: _____

Parcel Zoning: _____

Exhibit 5-3

Notice of Proposed Parcel Sale

Log to be completed after Parcel Sale.

This Log memorializes the understanding between Eagle Mountain City and the State of Utah School and Institutional Trust Lands of the effect of Parcel Sale # _____, pursuant to provisions of the Master Development Agreement dated September _____, 2003, by and between the State of Utah School and Institutional Trust Lands and Eagle Mountain City. The Parcel being sold pursuant to this Notice will receive the following assignment of approved development density and impact fee credits. The balance of such development density and impact fee credits remaining with the Trust Lands Administration is as shown.

For purposes of this exhibit, the totals reflect the combined acreage, zoning density and impact fee credits of the Mid-Valley and Pony Express Parcels, all as described in the Master Development Agreement.

	Existing Prior to Sale	Assigned with Sale of Parcel (or no assignment)	Remaining After Sale of Parcel
Total Acreage:	_____	_____	_____
Total Units:	_____	_____	_____

Water Impact Fee Credits:

Total Value	_____	_____	_____
Number of Units	_____	_____	_____
Value Per Unit	_____	_____	_____

Transportation Impact Fee Credits:

Total Value	_____	_____	_____
Number of Units	_____	_____	_____
Value Per Unit	_____	_____	_____

Parks and Recreation Impact Fee Credits:

Total Value	_____	_____	_____
Number of Units	_____	_____	_____
Value Per Unit	_____	_____	_____

Date of Sale: _____

Authorized Representative of State of Utah School and Institutional Trust Lands Date

Acknowledged and accepted by Eagle Mountain City this _____ day of _____, 20____.

By: _____
Mayor Date

EXHIBIT 6

(Pony Express Trail Park Legal Description)

Exhibit 6
Pony Express Trail Park

Pony Express Trail A

Beginning at a point N89°53'26"W 714.20 feet from the Northeast Corner of Section 36 T5S., R2W., SLB&M. Basis of bearing being: N89°53'26"W between the Northeast Corner and the North Quarter Corner of Section 36. Thence S10°52'27"W. 582.61 feet; thence N 79°07'33"W 200.00 feet; thence N10°52'27"E 372.50 feet; thence N54°25'54"W, 248.32 feet; thence N 00°06'34" E, 25.00 feet thence: S 89°53'26" E 437.99' to the point of beginning. Contains 3.10 acres

Pony Express Trail B

Beginning at a point N89°53'26"W 714.19 feet and S10°52'27"W 642.61 feet from the Northeast Corner of Section 36 T5S., R2W., SLB&M. Basis of bearing being: N89°53'26"W between the Northeast Corner and the North Quarter Corner of said Section 36. Thence S10°52'27"W, 315.69 feet to a point on a 910.00 foot radius curve to the right; Thence southerly 274.85 feet along the arc of said the curve, through a central angle of 17° 18' 19" (chord bears S 19°31'32"W 273.81 feet); thence S 28°10'46"W 1194.43 feet; thence N 61°49'14"W 200.00 feet; thence N28°10'46"E, 1194.43 feet to a point on a 710 foot radius curve to the left; thence northerly 214.44 feet along the curve through a central angle of 17°18'19" (chord bears N 19°31'37" E, 213.63 feet) thence N 10°52'27" E, 315.69 feet; thence S 79°07'33" E 200.00' to the point of beginning. Contains 8.06 acres

Pony Express Trail C1

Beginning at a point S00°19'03"W 2303.56 feet and N90°00'00"W 1566.11 feet from the Northeast Corner of Section 36 T5S., R2W., SLB&M. Basis of bearing being: N89°53'26"W between the Northeast Corner and the North Quarter Corner of said Section 36. Thence S 28°10'46"W, 468.79 feet; thence N 61°49'14"W 200.00 feet; thence N 28°10'46"E 468.79 feet; thence S 61°49'14"E 200.00 feet; to the point of beginning. Contains 2.15 acres

Pony Express Trail C2

Beginning at a point S00°19'03"W 2583.00 feet and N90°00'00"W 1612.16 feet from the Northeast Corner of Section 36 T5S., R2W., SLB&M. Basis of bearing being: N89°53'26"W between the Northeast Corner and the North Quarter Corner of said Section 36. Thence southerly 308.12 feet along the arc of a 216.85 foot radius curve to the right, through a central angle of 81°24'42", (chord bears S 16°49'14" E, 282.84 feet) thence N 61°49'14" W 200.00 feet; thence N 28°10'46" E 200.00 feet to the point of beginning. Contains 0.69 acres

Pony Express Trail D1.

Beginning at a point S 00°19'18" W 2908.95 feet and N 89°40'42" W 1881.24 feet from the Northeast Corner of Section 36 T5S., R2W., SLB&M. Basis of bearing being: N 89°53'26" W between the Northeast Corner and the North Quarter Corner of said Section 36. Thence S 28°10'46" W, 517.73 feet to a point on a 607.23 foot radius curve to the left; thence along arc of said curve 50.70 feet through a central angle of 4°47'01" (chord bears S 25°41'29" W 50.68 feet); thence N 65°45'50" W 200.00 feet to a point on a 798.19 foot radius curve to the right; thence along the arc of said curve 64.46 feet through a central angle of 4°37'38" (chord bears N 25°48'09" E 64.45 feet); thence N 28°10'46" E 517.73 feet; thence S 61°49'14" E 200.00 feet to the point of beginning. Contains 2.64 acres

Pony Express Trail D2

Beginning at a point S 00°19'18" W 2951.00 feet and N 89°40'42" W 1801.67 feet from the Northeast Corner of Section 36 T5S., R2W., SLB&M. Basis of bearing being: N 89°53'26" W between the Northeast Corner and the North Quarter Corner of said Section 36. Thence S 61°49'14" E 200.00 feet to a point on a non-tangent 221.37 foot radius curve to the right; thence along the arc of said curve 306.82 feet through a central angle of 79°24'37" (chord bears S 73°10'46" W 282.84 feet); thence N 28°10'46" E 200.00 feet to the point of beginning. Contains 0.69 acres

Pony Express Trail E

Beginning at a point S 00°19'18" W 3455.00 feet and S 90°00'00" W 2169.23 feet from the Northeast Corner of Section 36 T5S., R2W., SLB&M. Basis of bearing being: N 89°53'26" W between the Northeast Corner and the North Quarter Corner of said Section 36. Thence S 24°14'10" W, 899.51 feet to a point on a 455.00 foot radius curve to the right; thence along arc of said curve 22.03 feet through a central angle of 2°46'26" (chord bears S 25°37'23" W 22.03 feet); thence S 27°00'36" W 991.61 feet to a point on a 15.00 foot radius curve to the right; thence along the arc of said curve 17.16 feet through a central angle of 65°33'24" (chord bears S 59°47'18" W 16.24 feet) to a point of reverse curvature of a 130.00 foot radius curve to the left; thence along the arc of said curve 21.26 feet through a central angle of 9°22'07" (chord bears S 87°52'56" W 21.23 feet) to a point of reverse curvature on a 15.00 foot radius curve to the right; thence along the arc of said curve 17.21 feet through a central angle of 65°43'37" (chord bears N 63°56'19" W 16.28 feet); thence N 31°04'31" W 180.77 feet to a point on a 655.00 foot radius curve to the right; thence 272.78 feet along the arc of said curve through a central angle of 23°51'42" (chord bears N 16°59'23" W 270.82 feet); thence N 41°27'48" E 713.80 feet to a point on a 200.00 foot radius curve left; thence 60.13 feet along the arc of said curve through a central angle of 17°13'38" (chord bears N 32°50'59" E 59.91 feet); thence N 24°14'10" E 886.52 feet; thence S 65°45'50" E 200.00 feet to the point of beginning. Contains 10.69 acres

Pony Express Trail F

Beginning at a point S 00°19'11" W 4860.16 feet and N 90°00'00" W 617.15 feet from the North Quarter Corner of Section 36 T5S., R2W., SLB&M. Basis of bearing being: N 89°53'26" W between the Northeast Corner and the North Quarter Corner of said Section 36. Said point of beginning being a point on a 745.00 foot radius curve to the left; thence 230.77 feet along the arc of said curve through a central angle of 17°44'53" (chord bears S20°11'08" E 229.85 feet) thence S 31°04'32" E 182.70 feet to a point on a 15.00 foot radius curve to the right; thence 17.12 feet along the arc of said curve through a central angle of 65°23'09" (chord bears S01°37'03" E 16.20 feet) to a point of reverse curvature on a 130.00 foot radius curve to the left; thence 16.95 feet along the arc of said curve through a central angle of 7°28'11" (chord bears S 30°34'32" W 16.94 feet) to a point of reverse curvature on a 15.00 foot radius curve to the right; thence 16.59 feet along the arc of said curve through a central angle 63°22'01" (chord bears S58°31'27" W 15.76 feet); thence N 89°47'32" W 512.82 feet; thence N 41°27'48" E 546.27 feet to the point of beginning. Contains 2.48 acres

Pony Express Trail G

Beginning at a point S 01°06'12" W 26.62 feet and S 88°53'48" E 2556.28 feet from the Northwest Corner of Section 1 T6S., R2W., SLB&M. Basis of bearing being: N01°06'12" E between the Northwest Corner and the West Quarter Corner of said Section 1. Thence S 89°47'32" E 265.98; thence S 41°27'01" W 2515.38 feet; thence N 89°28'08" W 209.80 feet; thence N 02°44'52" E 66.32 feet; thence N 41° 27'01" E 2425.69 feet to the point of beginning. Contains 11.50 acres

Pony Express Trail H

Beginning at a point S 00°20'56" E 2911.14 feet and S 89°39'04" W 158.94 feet from the North Quarter Corner of Section 11 T6S., R2W., SLB&M. Basis of bearing being: S 89°39'04" W between the Northeast Corner and the North Quarter Corner of said Section 11. Commencing S 36°42'15" W 1810.28 feet; thence N 00°05'38" W 476.33 feet; thence N 36°42'15" E 1243.06 feet; thence S 86°22'06" E 340.48 feet to the point of beginning. Contains 10.00 acres

EXHIBIT

7

(Regional Park and Civic Center Legal Descriptions)

Mid-Valley Regional Park

MID-VALLEY REGIONAL PARK A

Beginning at a point S 89°41'58"E 982.88 feet and N 02°40'13" E 112.24 feet from the West Quarter Corner of Section 1, Township 6 South, Range 2 West, SLB&M; Basis of Bearing being S 01°06'12"W between the Northwest Corner and West Quarter Corner of said Section 1; thence N 00°57'47"E 1449.41 feet; thence S 89°17'35"E 1242.11 feet; thence S41°27'01"W 1913.04 feet to the point of beginning. Contains 20.66 acres

MID-VALLEY PARK B

Beginning at a point S 89°41'58"E 1194.49 feet and N 00°17'59" E 45.04 feet from the West Quarter Corner of Section 1, Township 6 South, Range 2 West, SLB&M; Basis of Bearing being S 01°06'12"W between the Northwest Corner and West Quarter Corner of said Section 1; thence N41°27'01" E 1741.74 feet; thence S69°27'53"E, 774.31 feet; to a point on a 2495.00 foot radius curve to the left; thence 175.49 feet along the arc of said curve through a central angle of 4°01'48" (chord bears S01°44'19"W, 175.45 feet); thence S00°16'35"E 85.24 feet; thence S89°43'25"W, 400.00 feet; thence S00°16'36"E, 400.00 feet; thence S89°43'24"W, 719.20 feet; thence S00°16'36"E, 373.49 feet; thence N89°34'28"W 757.75 feet to the point of beginning. Contains 23.52 acres

MID-VALLEY REGIONAL PARK C

Beginning at a point S 89°41'58"E 3161.93 feet and N 00°16'35" W 829.06 feet from the West Quarter Corner of Section 1, Township 6 South, Range 2 West, SLB&M; Basis of Bearing being S 01°06'12"W between the Northwest Corner and West Quarter Corner of said Section 1; thence N00°16'35"W 85.24 feet to a point on a 2405.00 foot radius curve to the right; thence northerly 346.81 feet along said curve through a central angle of 8°15'44" (chord bears N03°51'17"E, 346.51 feet); thence S81°31'00"E, 43.79 feet to a point on a 1616.71 foot radius curve to the left; thence easterly 332.40 feet along said curve through a central angle of 11°46'48" (chord bears N 88°43'11" E 331.81); thence S00°16'36"E, 430.00 feet; thence S89°43'25"W 400.00 feet to the point of beginning. Contains 3.82 acres.

Total: 48.00 acres

MID-VALLEY REGIONAL PARK D
Civic Center

Beginning at a point S°89'41'58"E 3071.93 feet and N00°02'53"E 1088.76 feet from the West Quarter Corner of Section 1 T. 6S., R2W., SLB&M. Basis of bearing being S 01°06'12" W between the Northwest Corner and the West Quarter Corner of Section 1; thence N 69°27'53" W 774.31 feet; thence N 41°27'01" E 773.64 feet; thence S 89°47'32" E 364.77 feet to a point on a 15.00 foot radius curve to the right; thence along the arc of said curve 16.59 feet through a central angle of 64°59'05" (chord bears S 57°16'29" E 16.14 feet) to a point of reverse curvature of a 130.00 foot radius curve to the left; thence along the arc of said curve 34.12 feet through a central angle of 15°02'16" (chord bears S 34°08'31" E 34.02 feet) to a point of reverse curvature of a 15.00 foot radius curve to the right; thence along the arc of said curve 16.82 feet through a central angle of 64°13'59" (chord bears S 09°32'25" E 15.95 feet) to a point of reverse curvature of a 2495.00 foot radius curve to the left; thence along the arc of said curve 822.92 feet through a central angle of 18°53'52" (chord bears S 13°12'08" W 819.20 feet); to the point of beginning. Contains 10 acres.

EXHIBIT

8

(Sweetwater Road Phase I Engineering and Construction Agreement)

SWEETWATER ROAD PHASE I ENGINEERING AND CONSTRUCTION AGREEMENT

Pursuant to this Agreement and the Construction Escrow Account, the City agrees to Construct Sweetwater Road as depicted on the attached exhibits. The City agrees to oversee the construction of Sweetwater Road according to the following standards:

1. Professional Project Management. The City will retain a Project Manager licensed as a Professional Engineer in the State of Utah. The City may retain the City Engineer as Project Manager. If the City chooses to retain an alternate engineer, it will advise TLA and provide TLA with a Statement of Qualifications for such Project Manager. The City will provide TLA with detailed billings by the Project Manager and will endeavor to minimize the cost of such service.

2. Bidding. The City will publish an invitation to bid on the Project in the Daily Herald and the Intermountain Contractor weekly for four weeks prior to the issuance of Bid Packages. At least two weeks shall be allowed between issuance of bid packages and bid deadline.

3. Contractor Qualifications. All Bidders shall be subject to a pre-qualification statement and shall have current Contractor's Licenses in the State of Utah. All Bidder's bonding limits shall be at least 125% of the total contract amount. In the event there are fewer than three qualified candidates for the project, the Bid shall be reissued, until at least three candidates are available.

4. Performance Bond. The successful bidder shall post a performance bond in the amount of 125% of the contract amount.

5. Insurance. The successful bidder shall name the City and TLA as additional named insured on its general liability insurance, and shall carry in full force and effect throughout the Project a minimum of \$5 Million in liability insurance.

6. Deadline: The Completion deadline shall be no later than May 31st, 2004. A penalty of at least \$100 per day for untimely completion shall be part of the construction contract.

7. Budget: The Parties have agreed that the budget in the City's Capital Facilities Plan of \$2,160,000 for the project, which included design and project management, is a reasonable budget. The estimate was prepared during a period of higher construction costs than the current year, and is thus believed to be on the "high side". TLA has expended, through the City, approximately \$60,000 in design. Accordingly, the Parties agree that \$2.1 million is a reasonable budget cap amount for the remainder of the project.

7.1 In the event no qualified bids are received which, when combined with

the Project Management costs, are within the pre-agreed budget limit for the Project of \$2.1 million, TLA, as the funding party, may withdraw from the project. In such case the City will be reimbursed by TLA for reasonable costs associated with administration of the Bid, up to \$12,000, and all other Construction Escrow Amounts will be returned to TLA.

7.2 All funds remaining in the construction escrow at the completion of all construction and after the payment of all construction and construction related costs, shall be paid to TLA.

8. Consultation with TLA on Contract; The City shall be responsible for the choice of a Contractor. The City will consult with TLA regarding the choice of Contractor and will share the bid information with TLA prior to selection. TLA may, if it has material reason to do so, voice objection or concern regarding all or certain bids or contractors prior to the choice of a contractor, in which case the City will in good faith endeavor to resolve TLA's objection. If the Parties are unable to resolve the objection, the City will proceed using its best judgment.

9. Consultation with TLA during Construction; The City shall be responsible for Project Management during construction. The City will consult with TLA regarding the progress during construction, and all draws presented by the Contractor for payment will be shared with TLA. As provided in the Construction Escrow Account, TLA may voice objection prior to the payment of a draw. Such objection may be to the entire draw or to specific amounts or items in the draw. In such case, the City will in good faith endeavor to resolve TLA's objection. If the Parties are unable to resolve the objection, the City will proceed using its best judgment.

10. Acceptance of the Roadway: As the City is performing the engineering design and construction of the Roadway, with only consultation from TLA, it accepts complete responsibility for the condition of the Roadway upon completion, will accept the roadway as a City Street and assume all maintenance and repair of the roadway.

11. Timeframe. TLA may withdraw from the project and receive a return of escrowed construction funds if, for any reason, a contract for the Roadway has not been let prior to December 31, 2003 or in the event no qualified contractor responding to the bid invitation is able to commit to completion prior to September 30, 2004.

12. This Agreement shall be binding upon and inure to the benefit of the successors, heirs and assigns of the parties hereto, and to any entities resulting from the reorganization, consolidation, or merger of any party hereto. This Agreement constitutes the entire understanding and agreement between the parties,

and supersede any previous agreement, representation, or understanding between the parties relating to the subject matter hereof.

13. The provisions of this Agreement are not severable, and should any provision hereof be deemed void, unenforceable or invalid, such provision shall affect the remainder of this Agreement, and shall provide grounds for dissolution of the Agreement at the option of the parties in the exclusive discretion of each of them.

14. Any waiver by any party hereto of any breach of any kind or character what so ever by the other party, whether such waiver be direct or implied, shall not be construed as a continuing waiver of or consent to any subsequent breach of this Agreement on the part of the other party.

15. This Agreement may not be modified except by an instrument in writing signed by the parties hereto.

16. This Agreement shall be interpreted, construed and enforced according to the laws of the State of Utah.

17. In the event of default on the part of any party to this Agreement, that party shall be liable for all costs and expenses incurred by the other parties in enforcing the provisions of this Agreement, whether or not legal action is instituted.

Dated this ____ day of _____, 2003.

Attest:

EAGLE MOUNTAIN CITY

Janet B. Valentine, CMC
City Recorder

Kelvin E. Bailey, Mayor

STATE OF UTAH,
SCHOOL AND STATE INSTITUTIONAL
TRUST LANDS ADMINISTRATION

By: _____
(Signature)

(Printed Name)

Title: _____

EXHIBIT

9

(Sweetwater Road Construction Escrow Agreement)

SWEETWATER ROAD CONSTRUCTION ESCROW AGREEMENT

THIS AGREEMENT is entered into this ____ day of June, 2003, by and between the State of Utah, School and Institutional Trust Lands Administration (the "Trust Lands Administration"); Eagle Mountain City, a Utah Municipal Corporation (the "City"); and U.S. Bank National Association, a national banking association (the "Agent").

Recitals

- A. The Trust Lands Administration is the state agency responsible for management of lands granted to the State of Utah in trust by Congress at statehood for the financial support of public education and other public institutions.
- B. The Trust Lands Administration and the City are in the final stages of negotiating a Master Development Agreement (the "Master Development Agreement") to govern, among other things, the development of an 1,188 acre parcel of state trust lands within the City's boundaries that is known as the Mid-Valley Parcel.
- C. The Master Development Agreement, as currently drafted, provides for the Trust Lands Administration to contribute into escrow certain funds for the design, engineering, and construction of Phase I of Sweetwater Road as it traverses the Mid-Valley parcel, including \$1 million to be deposited into escrow prior to June 30, 2003, and an additional \$1 million to be deposited into escrow within approximately 30 days after the City amends its Capital Facilities Plan and Economic Impact Analysis (the "CFP-EIA") as provided in the draft Master Development Agreement, and further provided that certain conditions are met.

- D. The Master Development Agreement further contemplates the deposit by the City into the escrow account of certain street construction impact fees.
- E. The transactions contemplated by the Master Development Agreement will require the approval of the City Council, which is not contemplated prior to July, 2003, as well as the subsequent amendment of the CFP-EIA.
- F. The City and the Trust Lands Administration desire to open the escrow contemplated by this Agreement at the current time, prior to City Council approval and amendment of the CFP-EIA, in order to permit more timely commencement of construction of Sweetwater Road upon such approvals. The City and the Trust Lands Administration contemplate that if the Master Development Agreement and amendment of the CFP-EIA are not approved, or are approved with modifications that are unacceptable to the Trust Lands Administration in its discretion, the escrow created by this Agreement will be terminated, and all deposits made by the Trust Lands Administration, with accrued interest, will be returned to the Trust Lands Administration.
- G. In the event that the Master Development Agreement is approved by the City Council and the CFP-EIA is successfully amended, the Parties agree that this Agreement will control the deposit and disbursement of funds from escrow to fund construction of Phase I of Sweetwater Road.
- H. Agent is willing to act as escrow agent on the terms set forth herein.

Agreement

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein the parties agree as follows:

1. **Opening of Escrow.** The City and the Trust Lands Administration hereby establish an Escrow Account (the "Account") with Agent, to be maintained and administered in accordance with the terms and conditions set forth in this Agreement.
2. **Initial Trust Lands Administration Deposit.** Upon execution of this Agreement, but in no event later than June 30, 2003, the Trust Lands Administration shall deposit \$1 million into the Account as an initial deposit toward its obligation under the Master Development Agreement to fund construction of Sweetwater Road Phase I (subject to provisions therein for reimbursement from impact fees collected by the City).
3. **Second Trust Lands Administration Deposit.** The City will not let construction contracts for, or permit commencement of construction of, Sweetwater Road Phase I, until the Master Development Agreement has been approved by the City Council in a form acceptable to the Trust Lands Administration, and the CFP-EIA has been amended as contemplated in the proposed Master Development Agreement. Within thirty days after amendment of the CFP-EIA as contemplated in the Master Development Agreement, the Trust Lands Administration shall deposit an additional \$1 million into the Account as the balance of its obligation under the Master Development Agreement to fund construction of Sweetwater Road Phase I (subject to provisions therein for reimbursement from impact fees collected by the City).
4. **City Deposits.** On or before the later of: (1) September 1, 2003; or (2) 30 days after the successful amendment of the CFP-EIA, the City will deposit into the Account all Street Impact Fees previously collected by the City for the construction of Sweetwater Road Phase I through December 31, 2002. Thereafter, the City may make additional deposits of Street Impact Fees

collected by the City for the construction of Sweetwater Road Phase I for periods after December 31, 2002, as provided by Article X and XI of the Master Development Agreement.

5. **Right of Trust Lands Administration to Terminate Escrow.** In the event that: (1) the City Council fails to approve the Master Development Agreement in a form acceptable to the Trust Lands Administration by August 15, 2003; or (2) the City fails to complete amendment of the CFP-EIA as contemplated in the Master Development Agreement by September 1, 2003; or (3) no construction contract for the project has been let by September 30, 2003; or (4) no qualified contractor is able to commit to completion of the project prior to May 31, 2004; or (5) no qualified bids are received for construction of Sweetwater Road Phase I which, when combined with project management costs, are less than the pre-agreed budget limit of \$2.1 million; the Trust Lands Administration may but is not obligated to terminate the escrow created by this Agreement by giving written notice to the other parties of its intent to terminate the escrow and the reason for such termination. Upon such termination, each party shall be entitled to return of all amounts deposited by it into the Account, together with all accrued interest thereon; provided, however, that in the event that the Trust Lands Administration terminates the escrow because no qualified bids are received or because no qualified bidder can complete the project by May 31, 2004, the City shall be entitled to reimbursement from the Trust Lands Administration's share of the Account for its reasonable out-of-pocket costs incurred in administering the bid, as certified by the City Engineer to Agent and the Trust Lands Administration, but not to exceed \$12,000.00.

6. **Construction Management; Draws on Account.** Construction and management of Sweetwater Road Phase I shall be undertaken by the City in accordance with that certain Design,

Engineering and Construction Agreement (the "Construction Agreement") attached as Exhibit "I" to the Master Development Agreement, and which is additionally attached as Exhibit "A" to this Agreement. Draws shall be made upon the Account by delivery by the City to Agent of a written request for payment, provided that the City shall timely provide the Trust Lands Administration with a copy of all such requests for payment. Agent shall make payment in accordance with the City's request unless, within ten (10) days of Agent's receipt of the request for payment, the Trust Lands Administration has notified Agent in writing of its objection to payment of the draw. Upon receipt of an objection from the Trust Lands Administration to payment of the draw, Agent may not pay the draw unless it has received a written notice from the City that the City has considered and overruled the Trust Lands Administration's objection(s). The City shall timely provide the Trust Lands Administration with a copy of all notices to Agent.

7. **Completion of Construction; Close of Escrow.** Upon completion of the Sweetwater Road Phase I construction, the City Engineer will certify to the City, the Trust Lands Administration, and Agent the total actual cost of the project, and that all outstanding contractor draws have been submitted to Agent for payment. Upon such certification, the Agent shall close the Account and refund all remaining funds in the Account, with accrued interest, to the Trust Lands Administration, less any outstanding fees of Agent.

8. **Agent's Standard Escrow Provisions.** In addition to the provisions set forth above, the provisions set forth in the attached Exhibit "B" shall govern the escrow created pursuant to this Agreement, and shall be considered an integral part of this Agreement.

9. **Notices.** All notices required or permitted to be given pursuant to this Agreement shall be given by first-class mail or by confirmed facsimile to each of the other parties as follows:

If to the City: [insert]

If to the Trust Lands Administration:

Utah School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102

Attn: Assistant Director – Planning & Development
Facsimile: (801) 355-0922

If to Escrow Agent:

U.S. Bank Corporate Trust Services
180 East Fifth Street
St. Paul, MN 55101
Attn: Chris Smith
(651) 244-8542
(651) 244-8555 (fax)

With Fax Copy to:
Kim Galbraith
(801) 534-6013 (fax); 534-6083 (phone)

10. **Governing Law.** This Escrow Agreement shall be construed, enforced, and administered in accordance with the laws of the State of Utah.

11. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original

Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

CITY OF EAGLE MOUNTAIN

By: _____
Its: Mayor

STATE OF UTAH, SCHOOL AND
INSTITUTIONAL TRUST LANDS
ADMINISTRATION

By: _____
Its: _____

U.S. BANK NATIONAL ASSOCIATION
("ESCROW AGENT")

By: _____
Its: _____

Exhibit "A"
Design Engineering and Construction Agreement

SWEETWATER ROAD DESIGN FUNDING ESCROW AGREEMENT

THIS AGREEMENT is entered into this ____ day of _____, 2003 by and between Eagle Mountain City, a municipal corporation of the State of Utah (the "City") as Escrow Agent and the State of Utah, through the School and Institutional Trust Lands Administration (the "Trust Lands Administration") (collectively the "Parties").

RECITALS

- A. The Trust Lands Administration administers approximately 1,188 acres of land located within the limits of the City, known and referred to as the Mid Valley Parcel.
- B. The City desires to construct a roadway through the Mid Valley Parcel (hereinafter "Sweetwater Road") and has determined that the construction of Sweetwater Road, as proposed, is compatible with the City's Capital Facilities Plan, the plan which specifies certain capital improvements deemed necessary for the future of the City.
- C. The Trust Lands Administration desires to provide the funding for the preconstruction engineering design of Sweetwater Road (the "Design") and appoint the City to act as Escrow Agent for the funds supplied by the Trust Lands Administration for the Design.
- D. The Trust Lands Administration has determined that it is in its beneficiaries' best interest to fund the design and construction of Sweetwater Road as it will add value to the Mid Valley Parcel.

AGREEMENT

1. The Parties agree that the Design will be completed according to the specifications prepared by McKay Edwards, (the "Trust Lands Consultant") dated May 6, 2003, attached hereto as Exhibit "A", Part I (the "Scope of Work") as modified by the response to Mr. Edwards from the Mayor of the City dated May 19, 2003, attached hereto as Exhibit "A", Part II (collectively referred to herein and constituting the "Memoranda of Understanding").

2. Funding / Escrow

- a. The Trust Lands Administration shall pay for all actual cost incurred for the Design.
- b. The City shall contract for the Design with Epic Engineering, P.C. (the "Engineer"). Management of the contract shall be under the supervision of the City with the concurrence of the Trust Lands Consultant. The City, in managing the project, shall use its best efforts to minimize all associated costs. The City has estimated its costs for the review and supervision of the Design to be \$595.00 (the "Administrative Costs").
- c. The Engineer has prepared an estimate for the Design, attached as Exhibit "B". The total costs of the Design are estimated at \$62,416.75 (the "Estimated Costs"). All cost overruns must be approved by the Trust Lands Consultant prior to being incurred.
- d. The Trust Lands Administration agrees to deposit with the City, as Escrow Agent, funds in the amount of the Estimated Costs (the "Funds"), to be placed in the City project account. The City shall disburse the Funds to the Engineer in accordance with the Memoranda of Understanding at appropriate stages of completion of the design work. The City shall approve all invoices from the Engineer before disbursing the Funds; provided, however, that prior to the proposed disbursement, adequate notice shall be provided to the Trust Lands Consultant and the Trust Lands Consultant shall have sufficient opportunity to object if the work described in the invoice has not been performed. In the event of approved cost overruns, the Trust Lands Administration shall place the approved additional funds on deposit with the City for disbursement as provided above. The City shall obtain the Trust Lands Consultant's approval prior to disbursing Funds to itself for its Administrative Costs.
- e. Funds placed on deposit by the Trust Lands Administration shall be placed in an interest bearing account consistent with the provisions of the Utah Money Management Act and the Trust Lands Administration shall receive credit for the accrued interest on the unspent funds at the rate paid to the City during the progress of the Design. Upon completion of the Design, the City shall provide an accounting of the disbursements, together with accrued interest. In the event the approved actual costs are higher than the deposited Funds, the City shall bill and the Trust Lands Administrations shall pay the difference. In the event the actual

costs are lower than the deposited Funds, the City shall disburse the balance on hand, including all accrued interest, to the Trust Lands Administration within 30 days after the payment of the final invoice.

3. Miscellaneous.

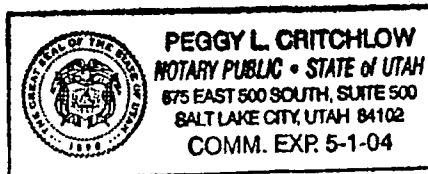
- a. This Agreement shall be binding upon the City and the Trust Lands Administration, their successors and assigns.
- b. This Agreement shall be interpreted in accordance with the laws of the State of Utah.
- c. The individuals executing this Agreement hereby warrant and represent they are duly authorized to do so in the capacity stated.
- d. Nothing in this Agreement is intended to, or shall be deemed to, constitute a partnership or joint venture between the City and the Trust Lands Administration.

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 27 day of May, 2003, personally appeared before me Kevin Carter, who being by me duly sworn did say that he is the Director of the School and Institutional Trust Lands Administration of the State of Utah, and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this 27 day of May, 2003.

My commission expires: 5-1-2004 Peggy L. Critchlow
Notary Public, residing at: SLC



STATE OF UTAH)
 : ss.
COUNTY OF)

On the _____ day of _____, 2003, personally appeared before me Kelvin E. Bailey, who being by me duly sworn did say that he is the Mayor of the City of Eagle Mountain, and the authorized signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this _____ day of _____, 2003.

My commission expires: _____
Notary Public, residing at: _____

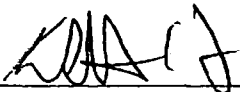
EAGLE MOUNTAIN CITY, UTAH

By: Kelvin E. Bailey, Mayor

Attest:

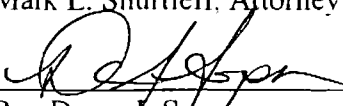
By:

STATE OF UTAH
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION



By: Kevin S. Carter, Director

Approved as to Form
Mark L. Shurtleff, Attorney General



By: Dawn J. Soper

EXHIBIT "A"
Part 1 - Scope of Work

McKay Edwards AICP
1670 East 1300 South, #202
Salt Lake City, UT 84105

6 May, 2002³

Mr. Chris Hillman, City Administrator
Eagle Mountain City
1680 East Heritage Drive
Eagle Mountain, Utah 84043

RE: North Sweetwater Road Pre-Construction Engineering

Dear Chris:

I am writing you as the representative of the State of Utah School and Institutional Trust Lands, regarding their Mid-Valley Parcel in Eagle Mountain City. SITLA has made application to the City for a Master Development Plan. A major capital improvement contemplated under that plan is the Phase I improvement of Sweetwater Road. Both SITLA and the City desire to complete this project during the 2003 construction season. This is a very tight timeframe, and necessitates proceeding immediately to Pre-Construction Engineering for the roadway.

Although the roadway is public and will be a City street, we have investigated options for the Pre-Construction Engineering design the roadway. We solicited proposals from several engineering firms so as to compare costs and qualifications. We have received a budget and scope of work from Epic Engineering in their capacity as City Engineer, to help us understand the option of having the City design the roadway.

After reviewing the proposals, we have concluded that it is cost effective and expedient to arrange to have the City design the street. We would propose to enter into a letter agreement regarding this work. The agreement should either include the following provisions or include this letter as an attachment.

Parties: City of Eagle Mountain, a municipal corporation of the State of Utah (the "City")
and
State of Utah acting through the School and Institutional Trust Lands
Administration (the "Trust Lands Administration" or the "Administration").

Background:

The City intends to construct Phase I improvements to North Sweetwater Road, a City Street, from the end of existing improvements in the City Center area northward to a connection with the improved Pony Express Parkway. The City has previously acquired a 90-foot wide right-of-way through lands owned by the Trust Lands Administration for the purpose of constructing this roadway.

Trust Lands Administration administers lands located on the east and west sides of the proposed North Sweetwater Road. Trust Lands Administration has made application to the City for a Master Development Agreement which proposes, among other things, that Trust Lands Administration advance most of the funds for the construction of Phase I improvements to North Sweetwater Road, including the Pre-Construction Design, during 2003.

Trust Lands Administration has proposed to the City a full build-out design for North Sweetwater Road which differs from the normal City design for a Collector Street, requiring that care be taken during Phase I design and construction to provide for this build-out design. The City agrees to design and build the Phase I North Sweetwater Road improvements to accommodate Trust Land Administration's preference for the build-out roadway design.

Project Description:

Design Summary: Pre-construction design for the Phase I improvements to North Sweetwater Road, an Eagle Mountain City Street, between the northerly limits of existing City improvements on Sweetwater Road North in the City Center area and the southerly limit of existing City improvements on Pony Express Parkway in the Ranches area of the City. The project will be designed in conformance with City standards, except as specifically excepted herein.

Engineer. The City Engineer, Epic Engineering, under the direction of Korey Walker P.E., will be the Design Engineer on the project.

Trust Lands Administration Representative: McKay Edwards AICP, or such other representative as may be designated by the Administration.

Scope of Work and Work Product.

- a. Roadway Design. The Administration has transmitted to the City and its Engineer planning level depictions of the horizontal layout of North Sweetwater Road. North Sweetwater Road, at build-out, will be substantially as depicted on Exhibits A-1 through A-6, as "red-lined" by Mr. Edwards. North Sweetwater Road, Phase I, will be substantially as depicted on Exhibits B-1 through B-6, as "red-lined" by Mr. Edwards. The City will incorporate this design into its construction level horizontal and vertical layout.
- b. Hydrology: The City will provide Drainage Basin Design and Site Storm Water Design for the Roadway Project as well as for the anticipated development of the Trust Lands Administration's Mid-Valley Parcel. The design will include all drainage basin areas currently or potentially affecting the Parcel and its development. The design will specify detention basin size and volume requirements, approximate locations and the conveyance requirements for the Development. The design level will be specific as to the Roadway, with appropriately sized conduits and conveyance features. The design will be at a Master Development Plan level of detail for the entire development, anticipating developed hydrologic conditions and providing a Master plan for drainage and site storm water.
- c. Preliminary Engineer's Cost Estimates: The City will provide preliminary Engineer's estimates of probable cost for the Phase I Construction by category.
- d. Landscape Design: The City will provide design for the irrigation of the median strip proposed with Phase I construction of North Sweetwater Road, and will cooperate with the Trust Lands Administration or its designated Landscape Architect regarding landscape design.
- e. Construction Drawings and Specifications, Bid-Packages. The City will produce construction drawings, specifications and bid packages of detail and quality customary to the bidding, contracting and construction of municipal streets in Eagle Mountain City, in Utah County and in the State of Utah. If constructed to the specifications and drawings provided by the City, the improvements will meet all applicable City standards and will be accepted by the City. The City will produce at least ten complete sets of bid packages.

Cost Estimate, Billings and Refunds:

The attached Letter and Budget from Epic Engineering shows a not-to-exceed cost estimate of \$62,416.75 for the Scope of Work. The Engineer will provide detailed billing to the City of actual hours expended on the project, by date, in each category and by each of Engineer's employees working on the Project. The City will provide copies of the billings to Trust Lands Administration for review and consent prior to payment by the City. Trust Lands Administration will not unreasonably withhold consent for payment. If Trust Lands Administration objects to any aspect of the billings, it will specify in writing specific objections. In such event, the three parties will promptly meet to discuss the objections and reach a resolution. At the end of the Project, all unused funds will be refunded to Trust Lands Administration.

Timeframe, Progress Reports:

The objective of the Project is to let a construction contract for the road during June of 2003. This will require that the design work be substantially completed by May 23rd and bid packages be completed by May 30th. Time is of the essence to the performance of this Agreement. The City will make verbal progress reports to Trust Lands Administration on May 9th and 16th and all work product will be completed and delivered on or before May 30th, 2003. The progress reports will include a summary of the status of costs to date.

Termination:

Either party may terminate the Project at any time by written notice to the other. In such event, the City will promptly notify the Engineer to cease work, and to prepare a partial billing for work to date. Upon receiving consent from Trust Lands Administration, the City will pay out of the funds the partial billing amount and refund the balance to Trust Lands Administration.

Specific Design Issues:

- a. Preservation of Historic Pony Express Trail. We prefer to locate, to the extent reasonably possible, the new roadway to the east of the existing historic Pony Express Trail. This will require designing a transition from the existing Pony Express Parkway improvements to the north to a new alignment approximately 100 feet east of the existing historic trail/roadway. This will also involve the relocation of the existing 90-foot right-of-way for Sweetwater Road. The City will provide the necessary right-of way documents for this relocation.
- b. Traffic Calming Elements, Frequency of Intersections. The exhibits A-1 through A-6 depict, for the southerly section of the Roadway, intersections at approximately 400 to 440foot intervals. The exhibits also show an intersection design with traffic calming elements, and a pedestrian crossing in conjunction with the proposed Regional Park. All these conditions are material to the Trust Lands Administration's willingness to fund this project during 2003, and we request City cooperation in providing for these design elements in the construction plans.

If the details above can be included in or attached to a letter agreement, I understand that the Trust Lands Administration will promptly fund the Project.

On behalf of the Trust Lands Administration:


McKay Edwards, AICP

EXHIBIT "A"

Part II - May 19, 2003 Correspondence

ADMINISTRATION

MAYOR
Kelvin E. Bailey

CITY ADMINISTRATOR
Christopher B. Hillman



Monday, May 19, 2003

McKay Edwards, AICP
1670 East 1300 South #202
Salt Lake City, UT 84105

Dear Mr. Edwards,

The City has reviewed your proposal dated May 6th regarding the scope of work, time frame, and budget associated with the design engineering for North Sweetwater Road. The City accepts the terms and conditions contained in your May 6th letter subject to the following clarifications:

1. Cost Estimate, Billings and Refunds - A City design review budget of \$595 should be set aside for City plan review and comments.
2. Timeframe, Progress Reports - The project will have a 70 percent design review by May 26th. Ten days after receipt of review comments by SITLA, a final set of plans will be prepared and will be ready for final review and advertisement for bid.

The signed scope of work is attached herewith and included as an attachment. Also, please find attached the man-hour breakdown and scope of work identifying the not to exceed amount. Upon review and approval of this letter and attachments, please deposit the above required funds with the City.

If you have any questions, please contact Chris Hillman.

Sincerely,

A handwritten signature in black ink that reads "Kelvin Bailey". The signature is fluid and cursive, with the first and last names being clearly legible.

Mayor Kelvin Bailey

Attachments:

SITLA Scope of Work
Pre-Engineering Manhour Breakdown

EXHIBIT "B"
Cost Estimate

Total Estimated Cost \$ 62,416.75

[illegible]

STATE OF UTAH

TO: EDWARD T. ALTER, UTAH STATE TREASURER
DIVISION OF FINANCE, 2110 STATE OFFICE BLDG, SALT LAKE CITY, UTAH 84114
STATE VENDORS



WARRANT NUMBER

F 4995749

PAYABLE ON
UTAH STATE TREASURER 31-283
SALT LAKE CITY, UTAH 84114 1248

PAY SIXTY TWO THOUSAND FOUR HUNDRED SIXTEEN
DOLLARS AND 75 CENTS

38936A E
TO THE ORDER OF

VOID ONE YEAR FROM DATE

MONTH	DAY	YEAR
05	23	03

PAY THIS AMOUNT
\$ *****62,416.75

EAGLE MOUNTAIN CITY
1680 E HERITAGE
EAGLE MTN UT 84043

Carol G...
DIVISION OF FINANCE

⑈4995749⑈ ⑆124002890⑆153100367736⑈

DETACH BEFORE CASHING

STATE OF UTAH, Division of Finance
2110 State Office Building, Salt Lake City UT 84114

GY VOUCHER #	INVOICE #	DESCRIPTION	AMOUNT
50 3TLA0101494	LTR.051903	SWEETWATER ROAD DESIGN	62,416.75

COPY

Exhibit "B"
Escrow Agent's Standard Escrow Provisions

1. **Agent's Duties.** Agent's duties and responsibilities shall be limited to those expressly set forth in this Escrow Agreement, and Agent shall not be subject to, or obliged to recognize, any other agreement between any or all of the Depositors or any other persons even though reference thereto may be made herein; provided, however, this Agreement may be amended at any time or times by an instrument in writing signed by all the parties hereto. Agent shall not be subject to or obligated to recognize any notice, direction or instruction of any or all of the parties hereto or of any other person, except as expressly provided for and authorized in this Agreement, and in performing any duties under this Agreement, Agent shall not be liable to any Party for consequential damages, (including, without limitation lost profits) losses, or expenses, except for gross negligence or willful misconduct on the part of the Agent.

2. **Court Orders or Process.** If any controversy arises between the Parties to this Agreement, or with any other Party, concerning the subject matter of this Agreement, its terms or conditions, Agent will not be required to determine the controversy or to take any action regarding it. Agent may hold all documents and funds and may wait for settlement of any such controversy by final appropriate legal proceedings or other means as, in Agent's discretion, Agent may require, despite what may be set forth elsewhere in this Agreement. In such event, Agent will not be liable for damages. Agent is authorized, in its sole discretion, to comply with orders issued or process entered by any court with respect to the Account, the assets therein, or this Escrow Agreement, without determination by the Agent of such court's jurisdiction in matter. If any assets in the Account are at any time attached, garnished, or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then in any such events Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel of its own choosing is binding upon it; and if Agent complies with any such order, writ, judgment or decree, it shall not be liable to any of the Depositors or to any other person, firm or corporation by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

3. **Agent's Actions and Reliance.** Agent shall not be personally liable for any act taken or omitted by it hereunder if taken or omitted by it in good faith and in the exercise of its own best judgment. Agent shall also be fully protected in relying upon any written notice, instruction, direction, certificate or document which in good faith it believes to be genuine.

4. **Collections.** Agent shall proceed as soon as practicable to collect any checks, interest due, matured principal or other collection items with respect to assets at any time deposited

in the Account. All such collections shall be subject to the usual collection procedures regarding items received by Agent for deposit or collection. Agent shall not be responsible for any collections with respect to Account assets if Agent is not registered as record owner thereof or otherwise is not entitled to request or receive payment thereof as a matter of legal or contractual right. All collection payments shall be deposited to the Account. Agent shall not be required or have a duty to notify anyone of any payment or maturity under the terms of any instrument, security or obligation deposited in the Account, nor to take any legal action to enforce payment of any check, instrument or other security deposited in the Account. The Account is a safekeeping escrow account, and no interest shall be paid by Agent on any money deposited or held therein, except as provided in Section 6 hereof.

5. **Agent Responsibility.** Agent shall not be responsible or liable for the sufficiency or accuracy of the form, execution, validity or genuineness of documents, instruments or securities now or hereafter deposited in the Account, or of any endorsement thereon, or for any lack of endorsement thereon, or for any description therein. Registered ownership of or other legal title to assets deposited in the Account shall be maintained in the name of Agent. Agent may maintain qualifying assets in a Federal Reserve Bank or in any registered clearing agency (including, without limitation, the Depository Trust Company) as Agent may select, and may register such deposited assets in the name of Agent or its agent or nominee on the records of such Federal Reserve Bank or such registered clearing agency or a nominee of either. Agent shall not be responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such document, security or endorsement or this Escrow Agreement.

6. **Investments.** Escrow Agent is hereby directed to invest all funds received by it in the triple "A" rated First American Treasury Reserve Obligations Money Fund (Class A). Depositors hereby confirm receipt of the First American Funds prospectus. Depositors further acknowledge that the fund investment advisor, custodian, distributor and other service providers as described in the prospectus are affiliates of U.S. Bank National Association, and investment in the fund includes approval of the fund's fees and expenses as detailed in the prospectus, including advisory and custodial fees and shareholder service expenses (which may be so called 12b-1 shareholder service fees), which fees and expenses are paid to U.S. Bank National Association, or subsidiaries of U.S. Bancorp. The shares of the funds are not deposits or obligations of, or guaranteed by, any bank including U.S. Bank National Association, or any of its affiliates, nor are they insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other agency. The investment in the fund involves investment risk, including possible loss of principal. All accrued interest shall become part of the Escrow Fund. The Escrow Agent shall not be liable for losses, penalties or charges incurred upon any sale or purchase of any such investment.

7. **Notices/Directions to Agent.** Notices and directions to Agent from Depositors shall be in writing and signed by an authorized representative, and shall not be deemed to be given until actually received by Agent's employee or officer who administers the Account. Agent

shall not be responsible or liable for the authenticity or accuracy of notices or directions properly given hereunder if the written form and execution thereof on its face purports to satisfy the requirements applicable thereto, as determined by Agent in good faith without additional confirmation or investigation.

8. **Books and Records.** Agent shall maintain books and records regarding its administration of the Account, and the deposit, investment, collections and disbursement or transfer of Assets, shall retain copies of all written notices and directions sent or received by it in the performance of its duties hereunder, and shall afford each Depositor reasonable access, during regular business hours, to review and make photocopies (at Depositor's cost) of the same.

9. **Disputes Among Depositors and/or Third Parties.** In the event Agent is notified of any dispute, disagreement or legal action between or among any of the Depositors, and/or any third parties, relating to or arising in connection with the Account, the Assets or the performance of the Agent's duties under this Agreement, the Agent shall be authorized and entitled, subject to Section 2 hereof, to suspend further performance hereunder, to retain and hold the Assets then in the Account and take no further action with respect thereto until the matter has been fully resolved, as evidenced by written notification signed by all Depositors and any other parties to such dispute, disagreement or legal action.

10. **Notice by Agent.** Any notices which Agent is required or desires to give hereunder to any of the Depositors shall be in writing and may be given by mailing the same to the address indicated in the Agreement (or to such other address as said Depositor may have theretofore substituted therefor by written notification to Agent), by United States certified or registered mail, postage prepaid. For all purposes hereof any notice so mailed shall be as effectual as though served upon the person of the Depositor to whom it was mailed at the time it is deposited in the United States mail by Agent whether or not such undersigned thereafter actually receives such notice. Whenever under the terms hereof the time for Agent's giving a notice or performing an act falls upon a Saturday, Sunday, or holiday, such time shall be extended to the next business day.

11. **Agent Compensation.** Agent shall be paid a fee for its services in the amount of \$1,000.00 per annum, which shall be subject to increase at annual intervals upon notice sent to Depositors, and reimbursed for its reasonable out-of-pocket costs and expenses incurred. If Agent's fees, or reasonable costs or expenses, provided for herein, are not promptly paid, Agent shall have the right to sell such portion of the assets held in the Account as necessary and reimburse itself from the proceeds of such sale or from the cash held in the Account. In the event that the conditions of this Agreement are not promptly fulfilled, or if Agent renders any service not provided for in this Agreement, or if the Parties request a substantial modification of its terms, or if any controversy arises, or if Agent is made a Party to, or intervenes in, any litigation pertaining to this escrow or its subject matter, Agent shall be reasonably compensated for such extraordinary services and reimbursed for all costs,

attorney's fees, including allocated costs of in-house counsel, and expenses occasioned by such default, delay, controversy or litigation and Agent shall have the right to retain all documents and/or other things of value at any time held by Agent in this escrow until such compensation, fees, costs, and expenses are paid. The Parties jointly and severally promise to pay these sums upon demand. Unless otherwise provided, the Parties each will pay one-half of all Agent's usual charges and Agent may deduct such sums from the funds deposited. The Depositors and their respective successors and assigns agree jointly and severally to indemnify and hold Agent harmless against any and all losses, claims, damages, liabilities, and expenses, including reasonable costs of investigation, counsel fees, including allocated costs of in-house counsel and disbursements that may be imposed on Agent or incurred by Agent in connection with the performance of his/her duties under this Agreement, including but not limited to any litigation arising from this Agreement or involving its subject matter.

12. Agent Resignation. It is understood that Agent reserves the right to resign at any time by giving written notice of its resignation, specifying the effective date thereof, to the Depositors. Within 30 days after receiving the aforesaid notice, the Depositors agree to appoint a successor escrow agent to which Agent may transfer the Assets then held in the Account, less its unpaid fees, costs and expenses. If a successor escrow agent has not been appointed and has not accepted such appointment by the end of the 30-day period, Agent may apply to a court of competent jurisdiction for the appointment of a successor escrow agent, and the costs, expenses and reasonable attorney's fees which Agent incurs in connection with such a proceeding shall be paid by the Depositors.

13. Automatic Succession Any company into which the Agent may be merged or with which it may be consolidated, or any company to whom Agent may transfer a substantial amount of its Escrow business, shall be the Successor to the Agent without the execution or filing of any paper or any further act on the part of any of the Parties, anything herein to the contrary notwithstanding.

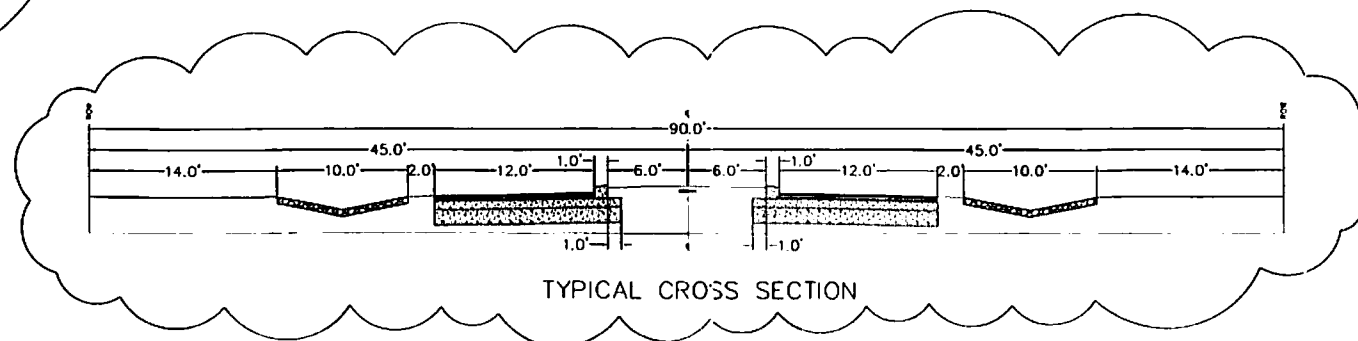
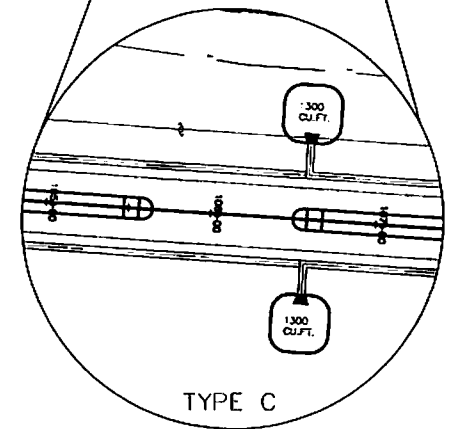
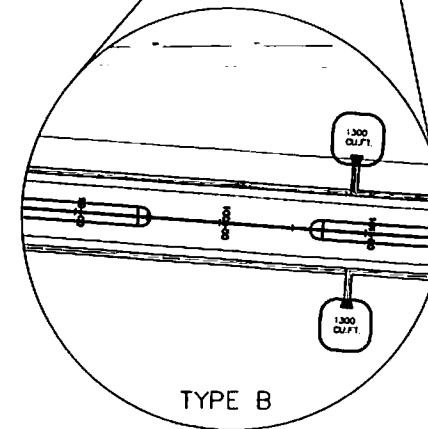
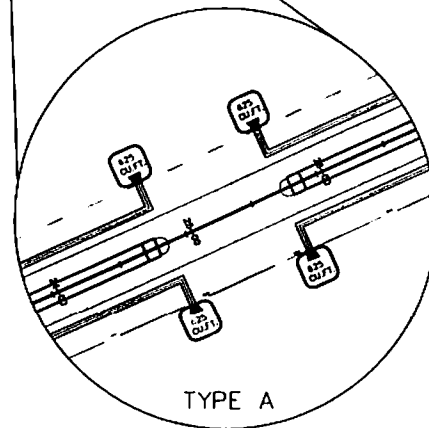
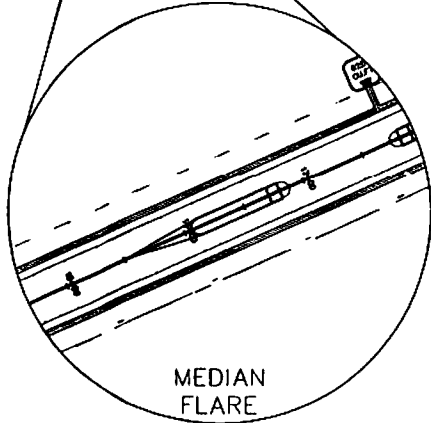
14. Disclosure The parties hereto hereby agree not to use the name of U.S. BANK NATIONAL ASSOCIATION to imply an association with the transaction other than that of a legal escrow agent.

15. Brokerage Confirmations: The parties acknowledge that to the extent regulations of the Comptroller of Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions of the escrow, the parties waive receipt of such confirmations, to the extent permitted by law. The Escrow Agent shall furnish a statement of security transactions on its regular monthly reports.

EXHIBIT 10

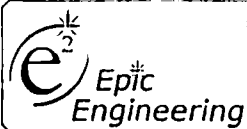
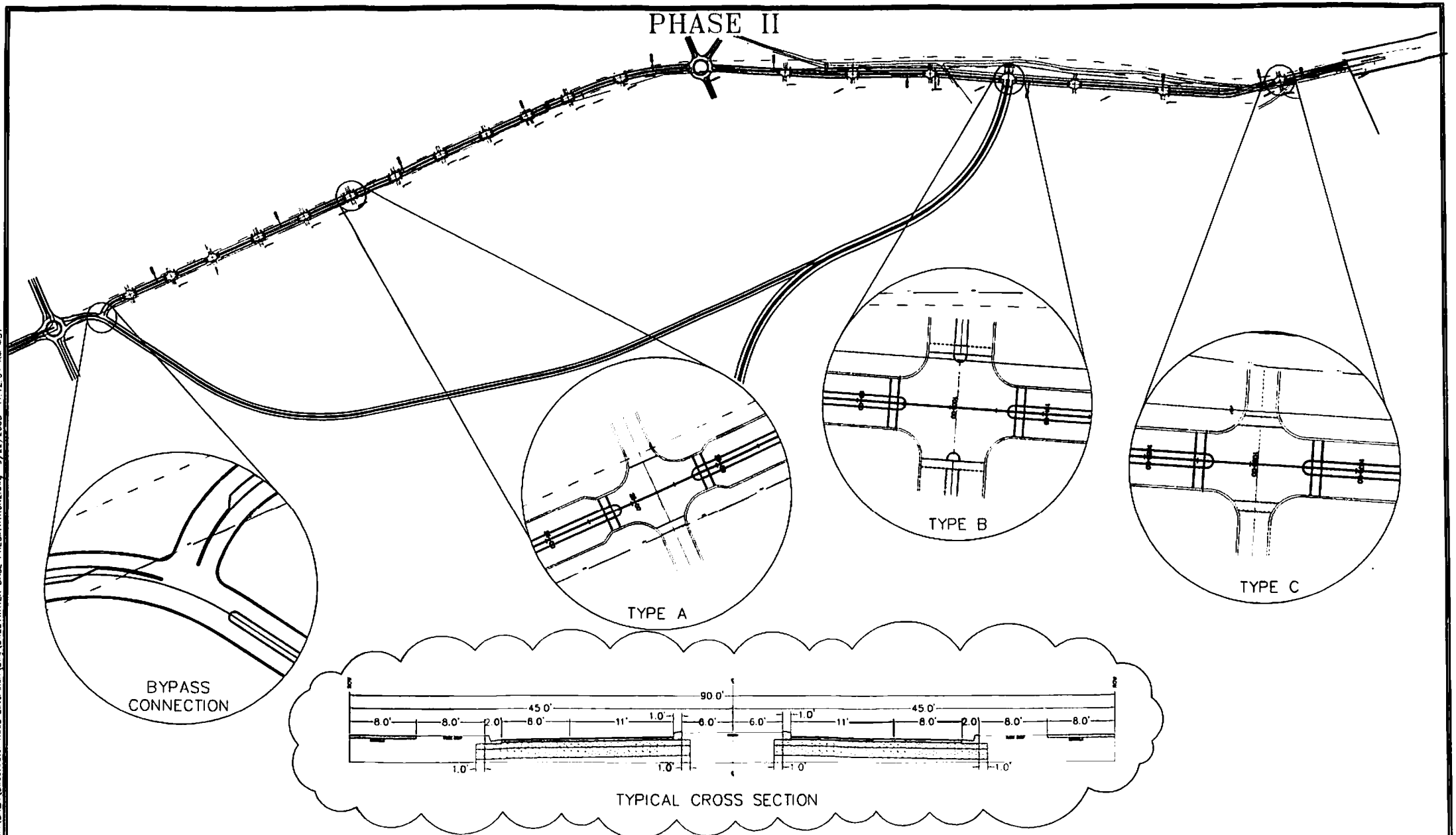
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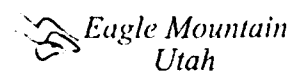
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2800 WEST 4700 SOUTH, SUITE 104
SALT LAKE CITY, UTAH 84118
(801) 871-9800
175 N. WASH. SQUARE, SUITE 104
HEBER CITY, UTAH 84032
(435) 854-4800

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BAR SCALE MEASURES
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A HALF SIZE SHEET

REVISION			
NO.	DATE	REV. BY	ISSUE



SWEET WATER ROAD
ROAD IMPROVEMENTS
PHASE II
EAGLE MOUNTAIN, UTAH

DESIGNER RAH	CAD RM
REVIEWED KCW	PROJECT NO. ~
SHEET ~ of ~	DRAWING ~

EXHIBIT 11

(By-Pass Route Legal Description)

Bypass Road

Bypass Road Parcel 1

A Parcel of land located in the Southeast Quarter of Section 36, Township 5 South, Range 2 West, Salt Lake Base and Meridian, and the East Half of Section 1 and the Northeast Quarter of Section 12 of Township 6 South, Range 2 West, Salt Lake Base and Meridian. Parcel being 10.00 feet in width, and described as follows:

Beginning at a point South $89^{\circ}46'31''$ East 2439.25 feet and North 1898.44 feet from the South Quarter Corner of Section 1, Township 6 South, Range 2 West, Salt Lake Base and Meridian. To a point on a 1633.83 foot radius curve to the left; thence 867.49 feet along the arc of said curve through a central angle of $30^{\circ}25'17''$ (radial line bears North $59^{\circ}32'37''$ West) to a point of tangency; thence North $00^{\circ}02'06''$ East 2657.54 feet to a point on a 1104.67 foot radius curve to the left; thence 1268.61 feet along the arc of said curve through a central angle of $65^{\circ}47'56''$ (radial line bears North $89^{\circ}57'54''$ West); thence South $65^{\circ}45'50''$ East 2.08 feet to a point on a 1194.67 foot radius curve to the right; thence 1371.97 feet along the arc of said curve through a central angle of $65^{\circ}47'56''$ (radial line bears South $24^{\circ}14'10''$ West) to a point of tangency; thence South $00^{\circ}02'06''$ West 638.42 feet to a point on the south Section line of section 36; thence along said section line North $89^{\circ}15'35''$ West 45.00 feet to the Northeast Corner of Section 1; thence South $00^{\circ}02'06''$ West 1991.59 feet to the East Quarter Corner of said Section 1; thence South $00^{\circ}01'49''$ West 218.24 to a point on a 1723.83 foot radius curve to the right; thence 520.61 feet along the arc of said curve through a central angle of $17^{\circ}18'13''$ (radial line Bears North $76^{\circ}50'50''$ West); thence South $30^{\circ}27'23''$ West 84.15 feet to the point of beginning.

Containing 2.21 Acres. (0.66 acres in Section 36, 1.55 acres in Section 1)

Bypass Road Parcel 2

A Parcel of land located in the Southeast Quarter of Section 36, Township 5 South, Range 2 West, Salt Lake Base and Meridian, and the East Half of Section 1 and the Northeast Quarter of Section 12 of Township 6 South, Range 2 West, Salt Lake Base and Meridian. Parcel being 35.00 feet in width. and described as follows:

Beginning at a point on the east right-of-way line of Sweetwater Road said point being South $89^{\circ}46'31''$ East 489.70 feet and South $00^{\circ}16'35''$ East 1095.38 feet from the South Quarter Corner of Section 1, Township 6 South, Range 2 West, Salt Lake Base and Meridian. Said point also being on a 345.00 foot radius curve to the right; thence 47.09 feet along the arc of said curve through a central angle of $07^{\circ}49'15''$ (radial line bears South $47^{\circ}56'02''$ East) to a point of tangency; thence North $49^{\circ}53'13''$ East 84.57 feet to a point of tangency on a 555.00 foot radius curve to the left; thence 188.22 feet along the arc of said curve through a central angle of $19^{\circ}25'50''$ (radial line bears North $40^{\circ}06'47''$ West) to a point of tangency; thence North $30^{\circ}27'23''$ East 3334.07 feet to a point of tangency on a 1633.83 foot radius curve to the left; thence 867.49 feet along the arc of said curve through a central angle of $30^{\circ}25'17''$

(radial line bears North 59°32'37" West) to a point of tangency; thence North 00°02'06" East 2456.44 feet to a point of tangency on a 1104.67 foot radius curve to the left; thence 1268.61 feet along the arc of said curve through a central angle of 65°47'56" (radial line bears North 89°57'54" West) to a point of tangency; thence North 65°45'50" West 423.30 feet to a point on the East right-of-way line of Sweetwater Road; thence along said right-of-way line North 24°14'10" East 88.40 feet to a point on a 455 foot radius curve to the right; thence 1.60 feet along the arc of said curve through a central angle of 00°12'05" (chord bears North 24°20'12" East 1.60 feet); thence South 65°45'50" East 421.22 feet to a point of tangency on a 1104.67 foot radius curve to the right; thence 1268.61 feet along the arc of said curve through a central angle of 65°47'56" (radial line bears South 24°14'10" West) to a point of tangency; thence South 00°02'06" West 2657.52 feet to a point of tangency on a 1633.83 foot radius curve to the right; thence 867.49 feet along the arc of said curve through a central angle of 30°25'17" (radial line bears North 89°57'54" West); thence South 30°27'23" West 3249.93 feet to a point of tangency on a 645.00 foot radius curve to the right; thence 218.74 feet along the arc of said curve through a central angle of 19°25'50" (radial line bears North 59°32'37" West) to a point of tangency; thence South 49°53'13" West 84.57 feet to a point of tangency on a 255.00 foot radius curve to the left; thence 223.26 feet along the arc of said curve through a central angle of 50°09'48" (radial line bears South 40°06'47" East); thence North 00°16'35" West 232.38 feet to the point of beginning.

Containing: 13.86 Acres (2.96 acres in Section 36, 7.97 acres in Section 1, 2.93 acres in Section 12)

Bypass Road Parcel 3

A Parcel of land located in the Southeast Quarter of Section 36, Township 5 South, Range 2 West, Salt Lake Base and Meridian, and the East Half of Section 1 and the Northeast Quarter of Section 12 of Township 6 South, Range 2 West, Salt Lake Base and Meridian. Parcel Being 55.00 Feet in width, and described as follows:

Beginning at a point South 89°46'31" East 2361.66 feet and North 00°00'00" East 1943.75 feet from the South Quarter Corner of Section 1, Township 6 South, Range 2 West, Salt Lake Base and Meridian. Said point being on a 1543.83 foot radius curve to the left; thence 819.70 feet along said curve through a central angle of 30°25'17" (radial line bears North 59°32'37" West) to a point of tangency; thence North 00°02'06" East 2657.56 feet to a point of tangency on a 1014.67 foot radius curve to the left; thence 1165.25 feet along the arc of said curve through a central angle of 65°47'56" (radial line bears North 89°57'54" West); thence South 65°45'50" East 1.02 feet to a point on a 1104.67 foot radius curve to the right; thence 1269.68 feet along the arc of said curve through a central angle of 65°51'16" (radial line bears South 24°10'50" West) to a point of tangency; thence South 00°02'06" West 2456.44 feet to a point of tangency on a 1633.83 foot radius curve to the right; thence 867.49 feet along the arc of said curve through a central angle of 30°25'17" (radial line bears North 89°57'54" West); thence South 30°27'23" West 84.18 feet to the point of beginning.

Containing: 4.28 Acres (3.08 acres in Section 36, 1.20 acres in Section 1)

Total Bypass road: 20.35 acres

EXHIBIT 12

(Road Standard and Classifications Summary)

EXHIBIT 12 ROAD STANDARDS

Note: The following table is derived from Eagle Mountain, Utah Standard Specifications and Operations Procedures Manual, dated 11-16-99. Incorporated by reference are all other standards therein not shown on this exhibit.

Street Classification	Right-of-Way Total Width	Right-of-Way From TLA	Travel Lane Each Way	Travel Lanes Width Total	Parking EW/Total	Median Width	Curb Width(Type)	Total Street
Section Arterial	130	90	22'	44'	8/16	14'	2'(E)	68'
Collector	90	90	11'	22'	8/16	14'	2'(E)	56'
Local Collector	60	60	11'	22'	8/16	No median	2'(E)	42'
Local	60	60	10'6"	21'	8/16	No median	2'6"(F)	42'
Neighborhood	50	50	13'6"	27'	Included	No median	2'6"(F)	32'
Neighborhood with Alleys	45'	45'	11'	22'	No on-street parking	No med.	2'6"(F)	27'
Rural	40'	40'	14'	28'	No on-street parking	No med.	No curb	28'
Alley	24'	24'	10'6"/8'6"	20'	No on-street parking	No med.	6"(A)/2'6"(E)	23'

Classification of Roads in this Agreement and on the Master Plan;

Arterial:

Airport Road

Collector:

Sweetwater Road
Bypass Road
Mid-Valley Road
West-Mid-Valley Road
West Ball Street

Rural:

Lake Mountain Road

Neighborhood:

All cross-streets to Sweetwater Road.

Local Collector, Local, Neighborhood, Neighborhood w/Alley, & Alleys are not shown on the Master Development Plan at this time. The cross-streets to Sweetwater Road will be Neighborhood Streets, and interior streets will be designed at various sub-classification categories.

EXHIBIT 13

(Deed Restriction on Land Dedication)

STATE OF UTAH
EXCHANGE PATENT NO. _____

WHEREAS, EAGLE MOUNTAIN CITY, a Utah Municipal Corporation, [address] (the "City"), has agreed with the State of Utah, School and Institutional Trust Lands Administration (the "Trust Lands Administration"), to grant certain municipal impact fee credits in consideration of and exchange for the dedication of the state trust lands hereinafter described to the City;

AND WHEREAS, the said agreement by the City complies with all applicable statutory requirements for exchange, it having been determined by the Trust Lands Administration that such municipal impact fee credits equal or exceed the value of the subject state trust lands;

NOW THEREFORE I, MICHAEL O. LEAVITT, Governor, by virtue of the power and authority vested in me by the laws of the State of Utah, do issue this **PATENT**, in the name and by the authority of the State of Utah, hereby granting and confirming to EAGLE MOUNTAIN CITY, and to its successors and assigns forever, the following tract or parcel of state trust land (the "Subject Property"), situated in the County of Utah, State of Utah, to-wit:

Township South, Range West, SLB&M
Section : within, more particularly described as follows:

Containing _____ square feet or _____ acres, more or less.

TO HAVE AND TO HOLD the above described and granted premises unto the said EAGLE MOUNTAIN CITY, and to its successors and assigns forever (subject to the reversionary interest of the State of Utah as set forth below).

Excepting and reserving to the State of Utah all oil and gas, coal and other mineral deposits underlying the Subject Property, along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits so long as such activity does not unreasonably disrupt the municipal use of the land; also,

Subject to any valid, existing easement or right of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way

for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by authority of the United States as provided by Statute.

Subject to the express covenants of the City concerning the use and maintenance of the Subject Property, as set forth in Article ~~XIV~~ of that certain Master Development Agreement between the Town and the Trust Lands Administration dated August __, 2003 (the "Master Development Agreement"), which covenants shall run with the land and shall be enforceable by the Trust Lands Administration, its successors and assigns.

Subject to a reversionary interest in the State of Utah as follows: In the event that the City, as to all or any part of the Subject Property, conveys or attempts to convey such lands out of municipal ownership; or ceases to use such lands for public purposes or as a public park; or converts such lands to private use; then title to and ownership and possession of the Subject Property shall automatically revert to the Trust Lands Administration or its successor agency.

IN TESTIMONY WHEREOF, I affix my signature. Done this _____ day of _____, 2003.



By the Governor:

Michael O. Leavitt

Attested:

Olene S. Walker
Lieutenant Governor

Kevin S. Carter, Director
School and Institutional
Trust Lands Administration

APPROVED AS TO FORM
Mark L. Shurtleff
Attorney General

By

Special Assistant Attorney General

Patent Book __Page __
Exchange No. ____
Fund: School _____

EXHIBIT 14

(Water Rights Agreement)

WATER BANKING AGREEMENT

THIS AGREEMENT is entered into this ____ day of June, 2003, by and between the State of Utah, School and Institutional Trust Lands Administration (the “Trust Lands Administration”) and Eagle Mountain City, a Utah Municipal Corporation (the “City”).

Recitals

- A. The Trust Lands Administration is the state agency responsible for management of lands granted to the State of Utah in trust by Congress at statehood for the financial support of public education and other public institutions.
- B. The Trust Lands Administration and the City are in the final stages of negotiating a Master Development Agreement (the “Master Development Agreement”) to govern, among other things, the residential and commercial development of two parcels of state trust lands within the City’s boundaries, comprising approximately 1339 acres of state trust lands.
- C. City Ordinance No. 00-05, dated April 18, 2000 and entitled “An Ordinance Enacting Changes in Water Right Requirements for Developments within the Town of Eagle Mountain, Utah” requires that developers dedicate certain quantities of water rights to the Town (now City) as a condition of obtaining development approvals.
- D. The Trust Lands Administration is the owner of an annual 500-acre-foot portion of Utah Water Right No. 54-1044, as amended by approved Application for Permanent Change of Water Right Number a-23069, as more

particularly described in the official records of the Utah Division of Water Rights (the “Water Right”).

- E. The Trust Lands Administration desires to dedicate the Water Right to the City, to permit development of trust lands within the City in accordance with Ordinance No. 00-05, and as provided by the proposed Master Development Plan, and the City desires to accept the Water Right and maintain the same for the exclusive purpose of supporting development on state trust lands within the City.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, the Parties agree as follows:

1. Dedication of Water Right. Within ninety (90) days after execution of the Master Development Agreement, the Trust Lands Administration shall assign the Water Right to the City, without warranty, by executing, acknowledging and delivering the Deed, Assignment and Conveyance of Water Rights attached hereto as Exhibit “A”.
2. Maintenance and Use. Upon assignment of the Water Right to the City by the Trust Lands Administration, the City shall hold the Water Right for the sole and exclusive use of meeting the water right dedication requirements of the City to support development on trust lands within the City, including trust lands that may be conveyed by the Trust Lands Administration to a third-party developer with an assignment of banked water right to the third-party developer. The City shall diligently file all applications and information that may be required by the State Engineer to protect the Water Right from forfeiture, in whole or in part or to change the point of diversion to a well designated by the City as a water source for use on trust lands. The Trust Lands Administration shall

reimburse the City for all filing fees paid to third party agencies for the recording and change of the water right and for reasonable attorneys fees expended by the City to change, register and maintain legal compliance for use of the water right until the right is designated for a specific project on Trust Lands property in the City. Trust Lands shall reimburse the City within 30 days of receipt of a statement from the City setting forth in detail the amount and nature of each matter for which the City is entitled to reimbursement. The City shall permit use of the Water Right to support development on trust lands within the City, as requested in writing by the Trust Lands Administration and in accordance with Ordinance 00-05 or any replacement ordinance and with the Master Development Agreement.

3. Accounting. The City shall maintain a ledger account tracking use of the Water Right, in a form substantially similar to the sample ledger attached hereto as Exhibit "B", and shall update such ledger upon each transaction where portions of the Water Right are dedicated to support a particular development. The City shall provide the Trust Lands Administration with a copy of the ledger at the time of each update.

4. Termination of Agreement. In the event that the City Council does not approve the Master Development Agreement in a format acceptable to the Trust Lands Administration, the Trust Lands Administration may, but is not obligated to, terminate this Agreement and retain ownership of the Water Right. Alternatively, the Trust Lands Administration may dedicate and assign the Water Right to the City for use on trust lands within the City in accordance with Ordinance 00-05 or any replacement ordinance, but

without regard to the Master Development Agreement.

ATTEST:

CITY OF EAGLE MOUNTAIN

Janet B. Valentine, CMC
City Recorder

By: _____
Kelvin E. Bailey, Mayor

STATE OF UTAH, SCHOOL AND
INSTITUTIONAL TRUST LANDS
ADMINISTRATION

By: _____
Its: _____

Exhibit A to Water Banking Agreement

Deed and Assignment of Water Rights

WHEN RECORDED, RETURN TO:

Gerald H. Kinghorn
PARSONS KINGHORN PETERS
A Professional Corporation
111 E. Broadway, 11th Floor
Salt Lake City, Utah 84111

WATER RIGHT DEED

_____ Grantor,
hereby conveys and warrants to EAGLE MOUNTAIN CITY, a municipal
corporation, Grantee, of Utah County, for TEN DOLLARS (\$10.00) and other
valuable consideration the following described water right(s) for _____ ac. ft. as
registered in the Office of the State Engineer of the State of Utah:

Water Right Number(s):
Change Application Number(s):

IN WITNESS WHEREOF, the Grantor has executed this Deed this
day of _____, 200__.

GRANTOR

By: _____

As Its: _____

STATE OF UTAH)
)ss.
COUNTY OF UTAH)

ACKNOWLEDGMENT

On this _____ day of _____, 200__, personally appeared
before me _____, who acknowledged to me
that he executed the foregoing document on behalf of _____, Grantor.

My Commission Expiration:

Notary Public

Exhibit B to Water Banking Agreement

Water Bank Inventory

**TOWN OF EAGLE MOUNTAIN
WATER BANK INVENTORY
WATER RIGHT NO. 54-1073 (The Ranches, L.C.)**

DATE	DOCUMENT	GRANTOR	GRANTEE	AMOUNT OF WATER RIGHTS OR % INTEREST	BALANCE	ENTRY NO. & RECORDING DATE
07/17/00	Memorandum Decision on Change Application	N/A	N/A	Beginning Balance: 1000.00 ac. ft.	+1000.00 ac. ft. - EMC	95643:2000 12/04/00
12/04/00	N/A	N/A	N/A	-565.63 ac. ft. (Water held in reserve to cover WR#54-1030)	+434.37 - left +565.63 - reserve	N/A
12/04/00	N/A	N/A	N/A	-21.57 ac. ft. (Three Crossings - Plat C)	+412.80 - left 21.57-used 565.63 - reserve	N/A
12/04/00	N/A	N/A	N/A	-20.60 ac. ft. (Porter's Crossing - Plat B)	+392.20 - left 42.17 - used 565.63 - reserve	N/A
12/04/00	N/A	N/A	N/A	-2.03 ac. ft. (Chimney Rock - Plat B/Church site)	+390.17 - left 44.20 - used 565.63 - reserve	N/A
02/07/01	N/A	N/A	N/A	-17.20 ac. ft. (Porter's Crossing - Plat C)	+372.97 - left 61.40 - used 565.63 - reserve	N/A
03/30/01	N/A	N/A	N/A	-78.91 ac. ft. (Ranches Parkway & Pony Express Parkway)	+294.06 - left 140.31 - used 565.63 - reserve	N/A
04/03/01	N/A	N/A	N/A	-34.20 ac. ft. (Willow Springs - Phase II)	+259.86-left 174.51 - used 565.63 - reserve	N/A

04/18/01	N/A	N/A	N/A	-28.08 ac. ft. (Rush Valley - Plat A)	+231.78 - left 202.59 - used 565.63 - reserve	N/A
08/03/01	N/A	N/A	N/A	-32.75 ac. ft. (Eagle's Gate - Plat A)	+199.03 - left 235.34 - used 565.63 - reserve	N/A
08/03/01	N/A	N/A	N/A	-5.35 ac. ft. (Ruby Valley - Plat B)	+193.68 - left 240.69 - used 565.63 - reserve	N/A
08/06/01	N/A	N/A	N/A	38.64 ac. ft. (Cold Springs-Phase I)	+155.04 - left 279.33 - used 565.63 - reserve	N/A
09/05/01	N/A	N/A	N/A	-4.77 ac. ft. (Additional water for Ruby Valley - Plat B and the LDS Church Recreation Lot)	+150.27 - left 284.10 - used 565.63 - reserve	N/A
09/18/01	N/A	N/A	N/A	-36.35 ac. ft. (Rush Valley-Plat B)	+113.92- left 320.45 - used 565.63 - reserve	N/A
09/18/01	N/A	N/A	N/A	-23.67 ac. ft. (Rush Valley-Plat C)	+90.25 - left 344.12 - used 565.63 - reserve	N/A
02/19/02	N/A	N/A	N/A	-30.43 ac. ft. (Rockwell Village)	+59.82 - left 374.55- used 565.63 - reserve	N/A
05/14/02	N/A	N/A	N/A	-54.78 ac. ft. (Chimney Rock - Plat A)	+5.04 -left 429.33 - used 565.63 - reserve	N/A
	N/A	N/A	N/A	-4.73 ac. ft. (Cedar Pass Ranch 5)	+31 - left 434.06 - used 565.63 - reserve	N/A

SWEETWATER ROAD PHASE I ENGINEERING AND CONSTRUCTION AGREEMENT

Pursuant to this Agreement and the Construction Escrow Account, the City agrees to Construct Sweetwater Road as depicted on the attached exhibits. The City agrees to oversee the construction of Sweetwater Road according to the following standards:

1. Professional Project Management. The City will retain a Project Manager licensed as a Professional Engineer in the State of Utah. The City may retain the City Engineer as Project Manager. If the City chooses to retain an alternate engineer, it will advise TLA and provide TLA with a Statement of Qualifications for such Project Manager. The City will provide TLA with detailed billings by the Project Manager and will endeavor to minimize the cost of such service.

2. Bidding. The City will publish an invitation to bid on the Project in the Daily Herald and the Intermountain Contractor weekly for four weeks prior to the issuance of Bid Packages. At least two weeks shall be allowed between issuance of bid packages and bid deadline.

3. Contractor Qualifications. All Bidders shall be subject to a pre-qualification statement and shall have current Contractor's Licenses in the State of Utah. All Bidder's bonding limits shall be at least 125% of the total contract amount. In the event there are fewer than three qualified candidates for the project, the Bid shall be reissued, until at least three candidates are available.

4. Performance Bond. The successful bidder shall post a performance bond in the amount of 125% of the contract amount.

5. Insurance. The successful bidder shall name the City and TLA as additional named insured on its general liability insurance, and shall carry in full force and effect throughout the Project a minimum of \$5 Million in liability insurance.

6. Deadline: The Completion deadline shall be no later than May 31st, 2004. A penalty of at least \$100 per day for untimely completion shall be part of the construction contract.

7. Budget: The Parties have agreed that the budget in the City's Capital Facilities Plan of \$2,160,000 for the project, which included design and project management, is a reasonable budget. The estimate was prepared during a period of higher construction costs than the current year, and is thus believed to be on the "high side". TLA has expended, through the City, approximately \$60,000 in design. Accordingly, the Parties agree that \$2.1 million is a reasonable budget cap amount for the remainder of the project.

7.1 In the event no qualified bids are received which, when combined with

the Project Management costs, are within the pre-agreed budget limit for the Project of \$2.1 million, TLA, as the funding party, may withdraw from the project. In such case the City will be reimbursed by TLA for reasonable costs associated with administration of the Bid, up to \$12,000, and all other Construction Escrow Amounts will be returned to TLA.

7.2 All funds remaining in the construction escrow at the completion of all construction and after the payment of all construction and construction related costs, shall be paid to TLA.

8. Consultation with TLA on Contract; The City shall be responsible for the choice of a Contractor. The City will consult with TLA regarding the choice of Contractor and will share the bid information with TLA prior to selection. TLA may, if it has material reason to do so, voice objection or concern regarding all or certain bids or contractors prior to the choice of a contractor, in which case the City will in good faith endeavor to resolve TLA's objection. If the Parties are unable to resolve the objection, the City will proceed using its best judgment.

9. Consultation with TLA during Construction; The City shall be responsible for Project Management during construction. The City will consult with TLA regarding the progress during construction, and all draws presented by the Contractor for payment will be shared with TLA. As provided in the Construction Escrow Account, TLA may voice objection prior to the payment of a draw. Such objection may be to the entire draw or to specific amounts or items in the draw. In such case, the City will in good faith endeavor to resolve TLA's objection. If the Parties are unable to resolve the objection, the City will proceed using its best judgment.

10. Acceptance of the Roadway: As the City is performing the engineering design and construction of the Roadway, with only consultation from TLA, it accepts complete responsibility for the condition of the Roadway upon completion, will accept the roadway as a City Street and assume all maintenance and repair of the roadway.

11. Timeframe. TLA may withdraw from the project and receive a return of escrowed construction funds if, for any reason, a contract for the Roadway has not been let prior to December 31, 2003 or in the event no qualified contractor responding to the bid invitation is able to commit to completion prior to September 30, 2004.

12. This Agreement shall be binding upon and inure to the benefit of the successors, heirs and assigns of the parties hereto, and to any entities resulting from the reorganization, consolidation, or merger of any party hereto. This Agreement constitutes the entire understanding and agreement between the parties,

and supersede any previous agreement, representation, or understanding between the parties relating to the subject matter hereof.

13. The provisions of this Agreement are not severable, and should any provision hereof be deemed void, unenforceable or invalid, such provision shall affect the remainder of this Agreement, and shall provide grounds for dissolution of the Agreement at the option of the parties in the exclusive discretion of each of them.

14. Any waiver by any party hereto of any breach of any kind or character what so ever by the other party, whether such waiver be direct or implied, shall not be construed as a continuing waiver of or consent to any subsequent breach of this Agreement on the part of the other party.

15. This Agreement may not be modified except by an instrument in writing signed by the parties hereto.

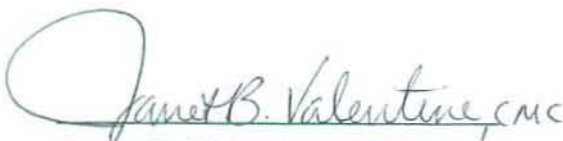
16. This Agreement shall be interpreted, construed and enforced according to the laws of the State of Utah.

17. In the event of default on the part of any party to this Agreement, that party shall be liable for all costs and expenses incurred by the other parties in enforcing the provisions of this Agreement, whether or not legal action is instituted.

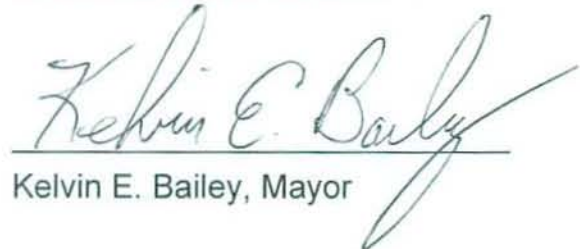
Dated this 16th day of OCTOBER, 2003.

Attest:

EAGLE MOUNTAIN CITY



Janet B. Valentine, CMC
City Recorder


Kelvin E. Bailey, Mayor



STATE OF UTAH,
SCHOOL AND STATE INSTITUTIONAL
TRUST LANDS ADMINISTRATION

By: 
(Signature)

Kevin S Carter
(Printed Name)

Title: Director

Approved as to Form
Mark L. Shurtleff
ATTORNEY GENERAL

By: 